



EUROPEAN NEWS

UK to share in West German wind-tunnel

BY RUPERT CORNWELL IN BONN

WEST GERMANY, Britain, France and the Netherlands are to go ahead with the construction of a supersonic wind-tunnel near Cologne, a venture which Herr Heinz Riesenhuber, the Bonn Technology Minister, yesterday called the most ambitious and expensive in the history of European aviation research.

The DM 460m (£123m) installation is expected to become operational in 1994. Its cost will be met 38 per cent by West Germany and 28 per cent apiece by France and Britain, while the Hague Government will put up the remaining 6 per cent.

The idea behind the scheme, the fruit of "extraordinarily tough" negotiations between the four partners, is to underpin the West European aerospace industry in its challenge to the U.S. dominance of the sector, both for civilian and military projects.

Herr Riesenhuber said that the only comparable facility today was at Nasa's research centre in the U.S., to which European manufacturers had no access.

Herr Riesenhuber attempted, less than convincingly, to refute the notion that agreement for the tunnel to be built in West Germany was the fruit of a



Herr Heinz Riesenhuber

hard-fought trade-off with France.

Two German cities, Dortmund and Homburg in the Saarland, had tried without success to secure the European "Synchrotron" X-ray research centre. This \$100m project will be located at Grenoble.

Only last month the decision of the Paris Government to opt for Grenoble rather than Strasbourg (as Bonn would have preferred) caused bitter demonstrations in Strasbourg against President Francois Mitterrand.

Industrial production rises 2.5%

By Our Bonn Correspondent

WEST GERMANY industrial production jumped 2.5 per cent in October from the previous month, underlining the strength of the rebound after the disruption caused by the long strike in the engineering industry during the summer.

Figures from the Economics Ministry in Bonn show that output in September and October was running at the same high level of July and August, when catch-up after production losses from the strike gave an artificial boost to the performance of many companies.

Production by manufacturing industry is now running 4 per cent above a year ago. In the key capital goods sector, the increase is 7 per cent.

However, the improvement has not been enough to make much of a dent in unemployment. Statistics for November show 2.19m, or 8.8 per cent of West Germans registered as out of work, 0.2 per cent up on October.

Nordic growth 'outpacing rest of Europe'

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

GROWTH IN the Nordic economies is clearly outpacing the rest of Europe, although the expansion in 1985 is likely to be slower than during 1984.

"For Scandinavia, 1984-85 must be considered as years of high economic activity in line with 1978-79 and part of 1980," says the latest report on the Nordic countries' business outlook published by four of the region's leading banks, Svenska Handelsbanken, Copenhagen Handelsbank, Den Norske Creditbank and Kansallis-Osake-Pankki.

The gross domestic product of the four countries is expected to grow by some 3.7 per cent this year compared with 2.7 per cent in 1983 and 1.8 per cent in 1982.

The banks forecast continued growth of some 2.9 per cent in 1985.

The improved activity has come chiefly from booming exports, and the Nordic countries have benefited particularly from the fast expansion of the U.S. economy.

Capacities in certain key export sectors are now fully utilised, says the report, particularly in the Finnish paper industry and in Norwegian pulp and paper and ferro-alloys and aluminium production.

Higher production levels have helped reduce the number of unemployed, but there are still considerable numbers out of work, especially in Denmark. In addition, both Norway and Sweden are spending large sums on job creation and related work programmes, which help to reduce the official unemployment figures.

In Denmark, the rate of unemployment is currently around 10 per cent compared with 5 per cent in Finland, 4 per cent in Norway, and close to 3 per cent in Sweden.

	GROSS DOMESTIC PRODUCT			
	Change in volume, per cent			
	1982	1983	1984	1985*
Denmark	3.5	2.5	4	3
Finland	2.8	3	5	5
Norway	1.0	3	3	2.5
Sweden	0.5	2.3	3.1	1.8
Nordic countries	1.8	2.7	3.7	2.9

\* Forecast. Source: Svenska Handelsbanken, Kansallis-Osake-Pankki, Den Norske Creditbank, Copenhagen Handelsbank

All four countries have laid great emphasis on trying to reduce inflation in order to protect the international competitiveness of their export industries. But particularly in Sweden, inflation is still running well above the level of its main competitors in world markets.

The banks expect the annual rate of inflation in Sweden to moderate only to 7 per cent next year from 7.5 per cent this year, whereas inflation in Finland is expected to fall to 5 per cent from 7 per cent this year.

Denmark has been most successful to date, cutting its inflation to 6.5 per cent this year. A further fall is expected to

5.6 per cent in 1985, while inflation in Norway is likely to be unchanged at some 6.5 per cent.

Freedom of action in implementing economic policy is still limited in Denmark by the large deficit on the current account of the balance of payments, the report says.

Sweden is struggling with a higher inflation which could bring medium-term problems, say the banks.

The country's prospects in 1985 will depend on the relative development of Swedish costs, and the report warns that it is "improbable" that the Government will achieve its target of limiting the rise in wage costs to only 5 per cent next year.

Finland has generally outperformed the rest of the Nordic region in recent years and the banks say that the Finnish economy is still in a "phase of unusually balanced economic expansion."

Inflation has been slowing down, unemployment has declined, the trade balance has improved. Government borrowing has decreased, and "unlike previous upswings, there are no signs of overheating."

E. Germany to increase price subsidies 21%

By Leslie Collier in East Berlin

EAST GERMANY is to increase price subsidies next year by a steep 21 per cent to maintain low prices for basic consumer goods and services.

The subsidies will make up a record 15 per cent of the state budget.

East Germany's decision contrasts sharply with moves in Hungary under its economic reform programme to reduce consumer price subsidies and to raise most prices to cover costs.

The increase in subsidies to Ostmarks 40bn (£10.5bn) is a triumph of orthodox East European socio-economic policy. It means that the gap between cost and artificially administered prices will widen for a large range of goods.

But while prices of basic foods and other essential products and services will remain frozen at the level of 1980, most other prices—except for rents—continue to move steadily upward or remain at high levels. The Government, however, does not announce such price changes.

East Germany said it aims for a rise in national income roughly equivalent to GNP in 1985 of 4.4 per cent, the same as this year. This places East Germany ahead of the Soviet Union, which plans national income growth of 3.5 per cent next year, and other East European countries except Romania.

East German industrial production is targeted to rise by 3.8 per cent, slightly higher than this year. Investments in East Germany are to increase from Ostmarks 49bn this year to Ostmarks 56bn next year after growing by only Ostmarks 2bn in 1984. The monetary income of the population is to rise 4 per cent next year after increasing 2.2 per cent this year.

East Germany's foreign trade is to grow by 8 per cent next year—this year's growth target was 5 per cent.

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How Saint-Gobain is meeting its commitment on jobs

BY DAVID HOUSEGO IN PARIS

LARGE French industrial groups, forced to cut their own workforce by recession, have begun to help small companies create new jobs.

The strongest initiative has come from Saint-Gobain, the diversified glass and engineering group which has helped 115 small and medium size companies to create some 3,400 new jobs in two years. Saint-Gobain provides companies with a low cost loan that averages FF 30-35,000 (£2,633-£3,672) for each new job created.

"We have not acted out of philanthropy," says M Luc Gomart, director general of Saint-Gobain Development, the St Gobain subsidiary in charge of the scheme. "Our approach is based on sound management criteria."

Similar schemes, though generally on a less ambitious scale, have been undertaken or are being developed by Charbonnages de France, the state-owned coal group, Elf Aquitaine, the oil multinational and Rhone-Poulenc, the chemical group. All these companies have had

difficulties in France reducing their workforce because of the combination of France's protective employment legislation and the outcry of unions and regional authorities.

They have found it easier to win union and regional co-operation after demonstrating their readiness to create new jobs elsewhere.

Saint-Gobain provides cheap loans at 6 per cent—or roughly half that of banks' base lending rates. The loans are spread over 10 years with a five-year grace repayment period.

"It is this that is the real advantage," says M Gomart, "because effectively we are providing them with fresh capital funds."

Among companies which have benefited from the scheme are: COFIM, producer of turnkey factories and manufacturer of reinforced plastics which has created an additional 25 jobs; Mosar, which produces lowels for hairdressing salons (60 jobs); I Mage, a video electronics company (55 jobs); Johnson and Johnson, hygiene products (21 jobs); and

Selaisons du Toulois, food processors (18 jobs).

Saint-Gobain lays down no criteria on the type of jobs to be created but insists that it should be maintained for five years. Of the new jobs that have been set up under the scheme, 25 per cent have been in electronics and 15-20 per cent in the service sector.

Mr J. Bidegain, chairman of Saint-Gobain Development, says that, in granting a loan, the company does not seek bankers' guarantees. "We take into account two main factors," he says. "The first is the record of the head of the company in managing his business. The second is the viability of the project."

Saint-Gobain promises to approve or refuse a loan request within six weeks. It prefers established companies to new enterprises so as to minimise the risk.

According to M Bidegain, Saint-Gobain's objective is to create some 3,000 new jobs a year from a current rate of

about 2,500. But he says that the problem is to find the right companies. "Firms who create jobs these days are rare," he adds. "I have to go out and look for them."

To help him in his search and to process applications he has created a light, decentralised structure of five regional offices.

Saint-Gobain Development employs only 25 staff including secretaries. The immediate advantage of Saint Gobain, which is in the process of rationalising its loss-making glass and engineering operations, is that its reputation for creating jobs has given it greater flexibility in pruning its workforce and closing down plants because it is recognised to have its employees and a region's interests at heart.

For companies taking on displaced Saint Gobain workers under the scheme, loans are converted into grants. But so far only 10 per cent of the new jobs created have gone to Saint Gobain employees. Initially the company concentrated the scheme in regions like Picardy where plant closures within the

group seemed most likely. It has since extended it to wherever Saint Gobain has facilities in order to strengthen its links with the region against unforeseen events in the future.

"You cannot be the number one in an area," says M Gomart, "and then one morning close down your factory. I am persuaded that what we are doing, others must also do in some form or other."

Elf has developed a similar scheme to protect parts of south west France against a decline in employment when the Lacq gas reserves are exhausted. Rhone Poulenc did the same in advance of textile factory closures and Charbonnages in advance of pit closures.

But the pressures in France on groups to set up job creation programmes are greater because French companies have more problems than most in Europe in reducing their workforce. Among the companies studying the scheme are Renault which had to shelve redundancy plans recently because of union opposition.

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EUROPEAN NEWS

Foreign ministers adopt curbs on EEC budget growth

BY QUENTIN PEEL IN DUBLIN

THE SYSTEM to control the growth of the EEC budget, and farm spending in particular, was formally adopted by Foreign Ministers in Dublin yesterday...

Few issues divide Ten and Spain over entry

By Leo Dawday in Dublin

WITH THE wine issue resolved, the EEC is within sight of completing its full offer terms to Spain.

But that is not to say that the Spanish have yet had their final word...

Chernenko 'ready to meet Reagan'

BY PATRICK COCKBURN IN MOSCOW

THE Soviet President, Mr Konstantin Chernenko yesterday told Dr Armand Hammer, chairman of Occidental Petroleum, that an early summit with President Ronald Reagan could be arranged if the U.S. agreed to ban first use of nuclear weapons.

Dr Hammer said there was a danger that the meeting between Mr Andrei Gromyko, the Soviet Foreign Minister, and Mr George Shultz, U.S. Secretary of State, in Geneva in January would get bogged in details of space demilitarisation and test bans.

It is unlikely, however, that the U.S. will reverse its policy against any declaration on no first-use of nuclear weapons for which the Soviet Union has been pressing.

Dr Hammer, who has had business jinks with the Soviet Union since soon after the 1917 Russian Revolution, said that just before leaving Washington for Moscow, he had received licensing for U.S. technology for a 250 kilometre coal slurry pipeline.

Bechtel of the U.S. and Entrepote of the Calourec Group of France, Dr Hammer said. The licensing of the U.S. technology for the pipeline is significant, given the opposition to the export of energy-related expertise to the Soviet Union during the first Reagan Administration.

It follows quickly other signs of a warmer attitude towards bilateral trade in both Washington and Moscow. The Soviet Agriculture Minister has just visited the U.S. and a visiting U.S. trade representative was seen at the start of the week by Mr Mikhail Gorbachev, second to President Chernenko in the Kremlin hierarchy.

Reuter reports from Washington: The U.S. yesterday turned down a suggestion that it might pave the way to an early summit with the Soviet Union by accepting a Kremlin plan for a treaty banning the first use of nuclear weapons.

Mr Larry Speakes, White House spokesman, reiterating long-held U.S. policy, said that although the U.S. would not be the first country to use nuclear or conventional weapons, it reserved the right to meet any attack with nuclear arms.

Le Monde editor quits after losing vote

By David Housego in Paris

M ANDRE LAURENS, director and editor in chief of La Monde, France's leading daily paper, resigned yesterday after the editorial staff turned down his plans for salvaging the paper from its continuing heavy loss.

The vote by the editorial staff was an unprecedented display of lack of confidence in a man appointed only two-and-a-half years ago with the priority of getting the paper back on its feet.

Under Le Monde's complicated share structure designed to preserve its independence, the editorial staff hold 40 per cent of the stock.

M. Laurens was himself a compromise choice for the editorship after a bitter tussle between left and conservative factions in the paper.

Continuing divisions over almost every issue have thwarted M Laurens in his attempts to find middle ground.

His resignation plunges the paper into a fresh crisis over finding a new editor. A General Assembly to choose his successor has been called for December 20.

The vote against M Laurens turned on his plan to sell the paper's head office in the Rue des Italiens in Paris as a way of raising funds to strengthen its capital resources.

But behind this lay doubts among the editorial staff that the whole series of measures he had proposed would produce a durable solution to the paper's troubles.

Among these was the "mish-mash" of one of the paper's presses in Paris, facsimile transmission to the provinces as a prelude to transforming Le Monde into a morning paper, and salary cuts.

Conference to draft treaty of European union delayed

BY QUENTIN PEEL IN DUBLIN

THE PLAN to hold a conference to draft a treaty of European union was temporarily put in cold storage by EEC heads of government, although the report on the long-range development of the Community. The 10 Community leaders meeting at their summit in Dublin, bowed to the resistance of Britain, Denmark and Greece, who argued that such a conference would be premature. However, they did agree to discuss the whole question in depth at their summit meeting next June, and set aside an extra day of talks to do so.

Western nations urged to step up aid effort

BY OUR PARIS STAFF

WESTERN industrialised countries have been urged to step up aid to the developing world and especially sub-Saharan Africa at a time when their net flow of development assistance to the Third World has been declining.

The net flow of official aid of the 17 industrialised countries and the European Commission forming the so-called Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) amounted to \$27.5bn last year and accounted for 0.38 per cent of the cumulative gross national product (GNP) of all DAC member countries.

This represents a decline from the previous year when the aid total was \$27.7bn and accounted for 0.38 per cent of the overall GNP of DAC member states.

The latest DAC figures show that only four countries achieved the United Nations target of contributing the equivalent of 0.7 per cent of their GNP to development aid. These countries included Sweden, Norway, Denmark and the Netherlands.

M Jean-Claude Paye, the new OECD secretary-general, told the DAC annual meeting which ended in Paris yesterday, that aid to developing countries should be given in a coherent fashion.

The economic recovery of the OECD countries however buoyant cannot on its own suffice to ensure adequate growth in a fair part of the developing world," he said.

M Christian Nucci, the French development minister, argued for the creation of a special fund for sub-Saharan Africa at the DAC meeting which was dominated by the crisis in that region of Africa. DAC members also reviewed ways of pooling resources more rationally and discussed policies designed not only to overcome the immediate problems of Africa but also to provide a longer term aid effort.

The latest DAC figures show a steady decline in UK aid to development. This has fallen from \$2.19bn or 0.43 per cent of GNP in 1981 to \$1.8bn in 1982.

Popular Rocard makes discreet comeback

BY PAUL BETTS IN PARIS

M MICHAEL ROCARD, the French Agriculture Minister and France's most popular politician according to public opinion polls, has made a discreet comeback to the forefront of the French political scene.

M Rocard has been in a self-imposed state of political isolation for the past three years following his unsuccessful bid to stand as the Socialist Party candidate at the last presidential elections.

After M Francois Mitterrand won the Socialist Party nomination and subsequently defeated President Valery Giscard d'Estaing in May 1981, M Rocard has preferred to wait silently in the wings.

For the past three years first as Planning Minister and more recently as Agriculture Minister, M Rocard has been content to play the part of a competent technocrat refusing to speak out on general political issues.

In recent months, his supporters had become increasingly worried that while the most popular political figure in France, M Rocard was running the risk of ruining his future chances if he did not finally step out in isolation.

He chose a popular political programme on national French television to stage his comeback on Monday night.

Before the programme, there was speculation that M Rocard was planning to announce his resignation from the Socialist Government. However, M Rocard was at pains to emphasise that he did not regard politics as show business and that he had not come to cause a political sensation.

Instead, the agriculture minister sought to project the image of loyalty to his party although not always in agreement with its policies. He was especially critical of the Socialist Government's early economic errors.

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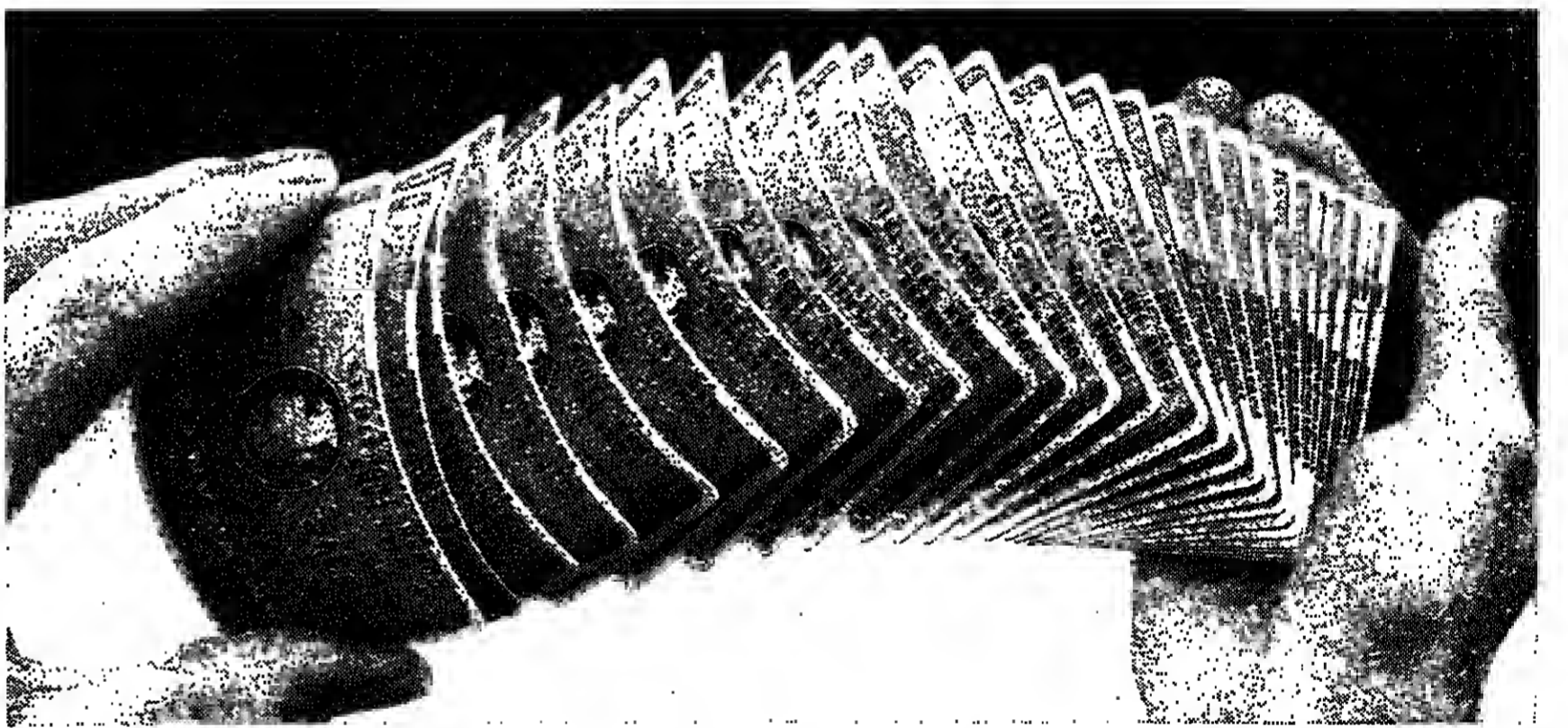
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## OVERSEAS NEWS

### Lebanon fighting draws Israeli patrol north

BY DAVID LENNON IN TEL AVIV AND RICHARD JOHNS IN LONDON

ISRAEL moved an armoured patrol across the Awail River, the front line of the zone which it occupies, as the show of force apparently aimed at ending renewed fighting between Christian and Druse militias. Doubts about the Lebanese Government's ability to impose its security plan on the area led to the Lebanese pound falling to its lowest level against the dollar for about a month during a day's hectic trading. It traded as low as 8.33 to the dollar before recovering to close at 8.20 compared with 7.93 last Saturday.

Fighting erupted again shortly after midday around South of Ghazal south-east of Beirut. The Christian-controlled Voice of Lebanon radio said that mortars and multiple rocket launchers were used in the exchanges. It was the fourth successive day of hostilities. The Lebanese Higher Military Command had been planning to deploy troops in the Kharroh Mountains later this week and also take over the coastal highway linking Beirut with the Israeli occupation zone.

A senior officer in Tel Aviv who briefed soldiers before the Israeli set out said that the objective was "to demonstrate our presence and underline that we will not allow terrorists to organise in this area" and to provide reassurance to the Christians that Israel would not allow them to be driven out of this area. On Monday a large bomb in the main shopping area of the Israeli coastal town of Netanya was safely defused.

A Lebanese Army communiqué said that the Israeli patrol was made up of 14 armoured personnel carriers, five tanks, five jeeps, a bulldozer and an oil tanker. In Beirut a Government spokesman protested at what he described as "interference to obstruct Lebanese deployment in the area." The military manoeuvre came as Lebanese and Israeli delegations reported the first progress in talks at the border village of Nasoura about Israeli withdrawal from the south of Lebanon.

### David Lennon on the three-month curbs on prices, wages and taxes Israel tightens anti-inflation screw

MORE than 2,000 shopkeepers have been fined up to the equivalent of £750 for overcharging for goods since the three-month package deal controlling prices, wages and taxes was implemented three weeks ago as part of the effort to control Israel's runaway inflation.

During the first few weeks of the freeze it was clear that many people had little idea of what the value of an item denominated in shekels. Shoppers often asked "What is that in dollars?" when quoted a shekel figure.

Nevertheless, and despite forecasts by economists of a price explosion in February, most Israelis are relieved that an effort is being made to curb the inflationary spiral, which had reached 1,300 per cent before the freeze.

Price control officers have made 22,000 visits to shops to check that prices are displayed on all goods in shekels and that they do not exceed the maximum fixed price. So far, more than Sh 40m (£60,000) has been levied in fines by rapid trial courts.

The penalties are one of the key tools being used by the Government to ensure that the price freeze is honoured and that the shekel is returned to the price tags in place of the dollar, which had become increasingly used as a unit of value as inflation soared. The fact that manufacturers and other businessmen voluntarily agreed to government control of prices which formerly were set by market forces was a recognition that some drastic action was needed to halt inflation before it destroyed the economy.

"We had to agree to the package deal because we had lost control of our businesses. With inflation at over 1,000 per cent we had no idea whether we were making a profit or a loss," said one of the employers' representatives.

Mr Gad Proper, joint managing director of the Osem foods conglomerate, told an Israeli newspaper recently: "To manage an industry in the current economic system is collapsing is like managing a casino."



Packing away the goods in a hectic Tel Aviv cashier during this autumn's rush on supermarkets ahead of the Government's food subsidy cuts

"You take an inflation coefficient into consideration. In order not to erode the capital base, and by the next day the calculation errs on the low side. It's an insane system which does not allow a manager of a plant to manage."

The implementation of the price freeze has not been without its problems. There was confusion over the maximum prices, which the Ministry of Industry and Trade revised upwards within two days of their original announcement. The list also caused confusion in shops because the Government set some prices at considerably higher levels than they had been before the freeze.

In justification of this, Mr Yehoshua Forer, director general of the Ministry, said: "There was no error. Our objective when we prepared the price list was not only to reduce prices, but also to ensure that everyday items would not disappear from the shelves. By giving the merchants some leeway, we could attain that objective."

Under the emergency regulations, the Government has frozen the exchange rate between the shekel and the dollar for all domestic transactions of the rate prevailing on November 2, which was Sh 527 to the dollar.

But the shekel has continued to depreciate, albeit at a much slower pace than in previous months. Prof Assaf Razin of Tel Aviv University puts the rate at 0.5 per cent a day or less, compared to 0.5 per cent and more before the freeze.

Importers and manufacturers are worried about having to purchase dollars to pay for imports at the prevailing floating rate (currently Sh 590 and rising), while being forced to sell at the rate fixed on November 2 (Sh 527).

Not being allowed to pass on these higher costs by increasing their prices led some importers to threaten to halt imports for the duration of the package deal. The Industry and Trade Ministry warned that the importers may have their licences revoked if they refuse to import goods.

The situation was somewhat eased for importers by the Government's decision to freeze the exchange rate, for the purposes of levying customs and purchase taxes, at Sh 527. This will reduce possible losses by importers forced to sell their goods at frozen prices.

Importers have been able to operate so far because the slowdown in the rate of depreciation has meant that the gap between the prevailing exchange rate and the frozen rate is not too great. But many wonder what will happen in another month or two, when that gap will have widened considerably.

Among the first to protest were the importers of about 150 medicines and drugs for which there is no local substitute. The Ministry of Health refused to exclude medicines from the price freeze, but said that if the availability of drugs appeared to be endangered it would refer the matter to the special committee dealing with requests for exemptions.

Others have questioned how it would be possible to fix the prices for shoemakers, dentists or accountants, not to mention plumbers and others involved in repair services. These prices were supposed to be subjected to a special income tax levy, but professionals and tradesmen protested that this was totally unfair, given that the price of services has to remain fixed while expenses rise.

Despite objections from landlords, the tripartite follow-up committee representing the Government, the unions and the employers ruled that in the case of rentals the exchange rate for dollar contracts drawn up before the freeze must be paid at the November 2 rate for the duration of the package deal. Interestingly, the committee also ruled that, while the exchange rate for compulsory vehicle insurance is frozen, all other forms of insurance are not affected.

Prof. Razin is one of those worried about the consequences of the package deal. "The banks are receiving subsidies in return for reducing the cost of credit. Exporters are being given funds so that they can continue to operate in these difficult conditions, and a lot of money is being accumulated in the hands of the public, and this is not a process which can contribute to blocking inflation," he said.

He also warned about the dangers of the slow-down in the devaluations. "If inflation in December is 20 per cent and the devaluation is only 13 per cent this will create a dangerous lag which, if it accumulates for a number of months, will severely hit our exports and will greatly encourage imports."

Furthermore, the Government had held off imposing new taxes and levies, there had been a reduction in some taxes, customs duties were lower and the travel tax programme was suspended. The package deal is like a tranquilizer, according to Prof. Razin. It did not cure the disease but created a deceptive atmosphere. Unless the Government lacked its budget, he said, he would remain pessimistic about the prospects for economic recovery.

### Hong Kong presses for annual debate in Commons

BY COLINA MACDOUGALL

A GROUP of Hong Kong community leaders visiting London is pressing for an annual report and House of Commons debate on the progress of the Joint Liaison Group, the body to be set up next year by Britain and China to smoothe the path to the transfer of power to Peking in 1997.

The 11-strong group in London to lobby MPs and others over the territory's anxieties over its future, comprises non-official members of Hong Kong's legislative and executive councils. It expects to see Mrs Thatcher, the Prime Minister, and Sir Geoffrey Howe, the Foreign Secretary, today before the House of Commons debates last September's joint agreement in advance of Mrs Thatcher's trip to Peking in December to sign it.

While in the main Hong Kong has accepted the draft agreement, "worries remain about some of its provisions. In particular the delegation wants the Government to clarify the new form of passport to be issued after 1997 to British Dependent Territory Citizens and the transmissibility of British nationality to the children of BDTCs after 1997. The delegation is also anxious that Hong Kong should be represented on the Joint Liaison Group, and will press the Government to make this point to the Chinese. Some of the delegates are hoping to go to Peking early next year after the agreement is signed to make the point themselves, and to press for some Hong Kong representation in the Chinese body which will draw up the Basic Law which will form Hong Kong's constitution. Although the Basic Law is seen as a purely domestic Chinese matter, the delegates believe that China is receptive to the idea of Hong Kong involvement since it has said that the territory's people should be fully consulted. The delegation has discussed this and Hong Kong's other anxieties with a wide range of ministers and MPs of all parties in the hope that today's debate and regular debates in future will keep Britain's sense of responsibility for Hong Kong up to 1997 alive.

### Tamil separatists attack water train in Jaffna

GUERRILLAS fighting for a separate Tamil state have attacked a train carrying water to Sri Lanka's troubled northern Jaffna district, government sources said.

They said the guerrillas hurled bombs at the train at Chunnakam yesterday, damaging its shutters. About 40 passengers fled unhurt.

Train services to Jaffna were suspended after the attack. Guerrillas stepped up their attacks last week, saying they would declare a separate Tamil state in the northern and eastern parts of the island on January 14.

They raided two rehabilitation farms for ex-prisoners last Friday, killing about 80 civilians. The Government said more than 65 rebels died in subsequent battles with the security forces. The rebels followed the attacks on the farms with raids on two fishing villages on the northeastern coast killing 11 people. An army spokesman said it would start recruiting soldiers to the regular and volunteer forces of the army from Saturday. Last week more than 15,000 youths applied for about 450 places when the air force called for volunteers. The airforce has also invited retired pilots to join the volunteer force. Agencies

### Ghana devalues again to boost export drive

BY OUR FOREIGN STAFF

IN ITS fourth such move in 14 months, Ghana yesterday devalued the Cedi by 25 per cent, allowing it to fall from 33.5 to 50 against the dollar.

The move is seen as part of a continuing attempt to ensure the competitiveness of the country's exports, including cocoa, which in turn is a major component in Ghana's economic recovery programme.

Last October the Government devalued by 90 per cent in order to secure International Monetary Fund (IMF), World Bank and other donor support worth over \$600m.

Ghana's leader, Ft. Lt Jerry Rawlings has committed his Government to implementation of IMF and World Bank proposals which, apart from devaluations, includes reduction of the budget deficit, increases in producer prices paid to farmers, reorganisation of the public sector, and cuts in subsidies.

Along with Uganda, Zambia and Zimbabwe in particular, Ghana is seen as a critical test of World Bank and IMF policies in Africa. Backed by advice and financial support from the two institutions, the Government drew up a recovery programme for 1983-86 which sought domestic backing in the agricultural and mining sectors. Rawlings has committed his Government to implementation of IMF and World Bank proposals which, apart from devaluations, includes reduction of the budget deficit, increases in producer prices paid to farmers, reorganisation of the public sector, and cuts in subsidies. Along with Uganda, Zambia and Zimbabwe in particular, Ghana is seen as a critical test of World Bank and IMF policies in Africa. Backed by advice and financial support from the two institutions, the Government drew up a recovery programme for 1983-86 which sought domestic backing in the agricultural and mining sectors.

BASE LENDING RATES			
A.B.N. Bank .....	9 1/8%	Hill Samuel .....	9 1/8%
Alfred Irish Bank .....	9 1/8%	C. Hoare & Co. .....	9 1/8%
Amro Bank .....	9 1/8%	Hongkong & Shanghai .....	9 1/8%
Henry Ausbacher .....	9 1/8%	Johnson Matthey Corp. .....	9 1/8%
Armed Trust Ltd .....	10 1/8%	Knowsley & Co. Ltd .....	10 1/8%
Associates Cap. Corp. ....	10 1/8%	Lloyds Bank .....	9 1/8%
Banco de Bilbao .....	9 1/8%	Mallinball Limited .....	10 1/8%
Bank Hapagimil .....	9 1/8%	Edward Mannes & Co. ....	10 1/8%
BCCI .....	9 1/8%	Megraw and Sons Ltd .....	9 1/8%
Bank of Ireland .....	9 1/8%	Midland Bank .....	9 1/8%
Bank of Cyprus .....	9 1/8%	Morgan Grenfell .....	9 1/8%
Bank of India .....	9 1/8%	National Bk. of Kuwait .....	9 1/8%
Bank of Scotland .....	9 1/8%	National Girobank .....	9 1/8%
Banque Belge Ltd .....	9 1/8%	National Westminster .....	9 1/8%
Barclays Bank .....	9 1/8%	Norwich Gen. Tst .....	9 1/8%
Bank of Brno .....	10 1/8%	People's Tst. & Sv. Ltd .....	10 1/8%
Brit. Bank of Mid. East .....	9 1/8%	R. Raphael & Sons .....	9 1/8%
Browe Sibley .....	9 1/8%	P. S. Refson .....	9 1/8%
CL Bank Nederland .....	9 1/8%	Roxburgh Guarantees .....	10 1/8%
Canada Perm'nt Trust .....	9 1/8%	Royal Bk. of Scotland .....	9 1/8%
Cayzer Ltd. ....	9 1/8%	Royal Trust Co. Canada .....	9 1/8%
Cedar Holdings .....	11 1/8%	J Henry Schroder Wagg .....	9 1/8%
Charterhouse Japan .....	9 1/8%	Standard Chartered .....	9 1/8%
Citibank NA .....	9 1/8%	Trade Dev. Bank .....	9 1/8%
Citibank Savings .....	11 1/8%	Trustee Savings Bank .....	9 1/8%
Clydesdale Bank .....	9 1/8%	United Bank of Kuwait .....	9 1/8%
C. E. Coates & Co. Ltd. ....	9 1/8%	Western Banking Corp. ....	9 1/8%
Comm. Bk. N. East .....	9 1/8%	Whiteaway Ltd/Law .....	10 1/8%
Consolidated Credits .....	9 1/8%	Williams & Glyn's .....	9 1/8%
Co-operative Bank .....	9 1/8%	Wolfeberg & Co. Ltd. ....	9 1/8%
Cyprus Foreign Bank .....	9 1/8%	Yorkshire Bank .....	9 1/8%
Dunbar & Co. Ltd. ....	9 1/8%		
Duncan Lewis .....	9 1/8%	Members of the Accepting Houses Committee:	
E. T. Trust .....	10 1/8%	1 month	
Exeter Trust Ltd .....	10 1/8%	7.00% Fixed rate 12 months £250	
First Nat. Fin. Corp. ....	11 1/8%	7.75% £10,000 and sums of under	
First Nat. Secs. Ltd. ....	11 1/8%	7-day deposits on sums of under	
Robert Fleming & Co. ....	9 1/8%	£10,000 6%, £10,000 up to £50,000	
Robert Fraser & Ptas. ....	10 1/8%	7% £50,000 and over 3%	
Grindlays Bank .....	9 1/8%	Call deposits £1,000 and over 6 1/2%	
Guinness Mahon .....	9 1/8%	21-day deposits over £1,000 7 1/2%	
Hambros .....	9 1/8%	Demand deposits 6 1/2%	
Heritable & Gen. Trust .....	9 1/8%	* Mortgage base rate.	

AMERICAN NEWS

Landslide victory for moderates in Grenada election

BY CANUTE JAMES IN ST GEORGES, GRENADA

THE Moderate New National Party (NNP) led by Mr Herbert Blaize, has scored a landslide victory in Monday's General Election, the first in Grenada in eight years.

Brasilia seeks \$5bn multilateral financing

By Andrew Whitley in Rio De Janeiro

BRAZIL EXPECTS to receive over \$5.2bn (£4.3bn) in new financial resources from multilateral lending agencies in 1985, comfortable covering the Government's latest estimate of a \$3bn current account deficit next year.

Details of the Brazilian Government's latest balance of payments forecasts were released by the Central Bank in Brasilia on Monday.

These estimates will serve as the basis for negotiations with the country's bank creditors, on rescheduling forthcoming years' debts payments, due to recommence in New York on December 15.

Sources of new funds will be the International Monetary Fund, the Inter-American Development Bank and the World Bank, Sr Afonso Celso Pastore, the Brazilian Central Bank Governor said.

A substantial part of the World Bank's assistance is, however, likely to be in the form of a \$1.1bn co-financing programme with commercial banks now being discussed with the Brazilian authorities.

House says Ferraro broke rules on ethics

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MS GERALDINE Ferraro, the defeated Democratic vice-presidential candidate in last month's U.S. elections, violated government rules on ethics at least ten times through improper filings on congressional financial disclosure forms, according to a House ethics committee.

Reginald Dale on calls for a change in policy towards S. Africa

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

IT IS becoming a regular Washington ritual. Every weekday for almost two weeks now, crowds of anti-apartheid demonstrators, often as many as 200, gather outside the South African embassy on Massachusetts Avenue.

Argentina seeks extra loans to pay off interest

By Peter Montagnon, Euromarkets Correspondent

ARGENTINA is seeking additional bridging finance from governments in Europe, the Far East and Latin America to help it reduce interest arrears on its foreign debt before the end of the year.

The finance, which is being negotiated on a bilateral basis with individual governments, comes on top of a \$500m (£417m) short-term loan secured from the U.S. Treasury as part of last week's debt rescue package.

Bankers close to Argentina's debt negotiations declined yesterday to detail the amounts being sought, but noted that Argentina would need a total of \$1.25bn if it was to meet all interest payments on its public sector debt due up till December 31.

Of that, \$500m is already coming from the U.S. and a further \$250m from Argentina's own reserves, which theoretically leaves \$500m still to be found. The actual total of bridging finance sought could, however, be less as Argentina is only formally committed to paying \$750m before the year end.

But bankers believe that a determined effort by Argentina to reduce its interest arrears could help syndication of the \$4.2bn in new loans it is now seeking from its creditor banks.

A "critical mass" of new subscriptions to the new loan have to be received from banks before the International Monetary Fund approves release of its own \$1.4bn loan to Argentina at a board meeting now scheduled for December 23. Only after that happens will the U.S. release its \$500m bridging loan.

U.S. tempers rise over apartheid

IT IS becoming a regular Washington ritual. Every weekday for almost two weeks now, crowds of anti-apartheid demonstrators, often as many as 200, gather outside the South African embassy on Massachusetts Avenue.



Moments before their arrest last week: Leonard Ball, trade unionist (left), Republican George Crochet (centre) and Republican Don Edwards.

In late afternoon, well in time for the evening TV news and daily newspaper headlines, two or three prominent personalities advance on the embassy and have themselves arrested by a compliant and sympathetic DC police force.

By yesterday 23 people had been arrested, including four at the South African consulate in New York. Among them are trade union leaders, seven U.S. Congressmen, Yolanda King, daughter of the Rev Martin Luther King, the assassinated civil rights leader, and comedian Dick Gregory.

Singer Harry Belafonte and tennis ace Arthur Ashe have protested outside the embassy, as has the mayor of DC, Mr Marion Barry. Mr Barry says that sometime soon he may very well get himself arrested by his own police force.

The Rev Jesse Jackson, the defeated black Presidential candidate in this year's Democratic primaries, Mr Andrew Young, the Mayor of Atlanta, and Senator Edward Kennedy of Massachusetts have all given their support.

The demonstrators readily admit that the daily arrests are a "media event." Those taken into custody are quickly released, although some of them have insisted on spending a night in jail. To the anger of some of those arrested, charges against most of them have been dropped, depriving them of their say in court.

But the organisers say that the protests will continue "indefinitely" and this week the demonstrations were due to start spreading to the 13 South African consulates in cities such

as Boston, Los Angeles and Houston, as well as New York.

Black leaders say that the anti-apartheid movement has suddenly galvanised black support like no other social issue since the civil rights movement of the 1960s. And they plan to revive the same tactics used so successfully 20 years ago to gain recognition of their rights in the U.S.—with a campaign of civil disobedience, sit-ins and non-violent demonstrations.

Events both in South Africa and the U.S. have brought the issue to a head, the movement's leaders say. They include the recent arrests of black leaders in South Africa, in what the American blacks see as a generally heightened climate of oppression, the award of the Nobel Peace prize to Johannesburg's Bishop Desmond Tutu and the re-election of President Ronald Reagan.

Bishop Tutu, who was in Washington at the week-end, again attacked Mr Reagan's South African policies and gave the demonstrators his blessing. But the protests represent what

is essentially a spontaneous outburst of American feeling, directed as much against Mr Reagan as against the South African authorities.

The Administration insists that Mr Reagan's policy of "constructive engagement" with South Africa is the best way to achieve change in the country and that it is actually working. The theory is that by improving relations with Pretoria, the U.S. will be better placed to exert pressure through quiet diplomacy. But the demonstrations appear to be putting the Administration on the defensive.

The protesters, however, say that "constructive engagement" at least tacitly legitimises apartheid. Their immediate objective is to win the release of the jailed black leaders in South Africa. Beyond that, they would like to put pressure on the administration, on business and on Congress to drop the "constructive engagement" policy and start implementing economic and trade sanctions. The U.S. is South Africa's largest commercial

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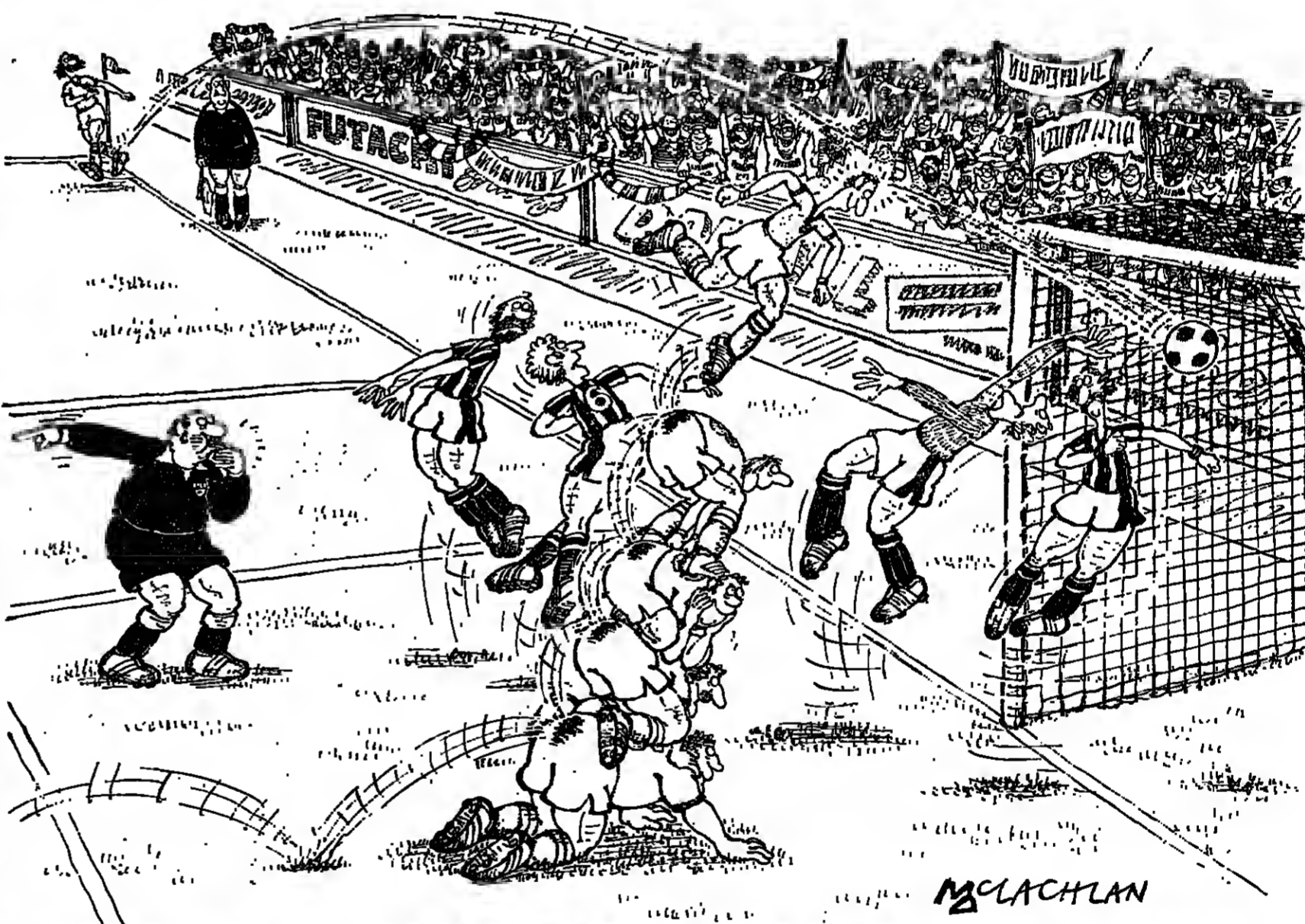
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Advertisement for SAS (Scandinavian Air Service). It features a drawing of a jet airplane and the text: 'When you travel on business, use your power. You're the business traveller. You're the backbone of every airline's economy. You're in command. Use your power. Fly the airline that gives you more without charging more. Book yourself on one of our flights. Use your clout to tell the airline industry what you want more of. In the end, that's the only way to get it.' The SAS logo is at the bottom.

# WORLD TRADE NEWS

## Drive to repeal Florida unitary tax scheme snared by problems

BY NANCY DUNNE IN WASHINGTON

AN EFFORT in Florida this week to repeal the state's controversial worldwide unitary tax has become seriously entangled with a series of local problems. Passage, while considered likely, is by no means certain.

The state legislature, called by its leaders into a special legislative session tomorrow and Friday in order to abolish the practice of taxing multinationals on their global earnings, is also facing demands by Governor Robert Graham for action on other Bills.

After months of searching for a substitute tax to raise money for the state's educational system, Democrats who control the legislature and the Governor have agreed to raise \$50m - an equivalent of the estimated proceeds of the unitary tax - by increasing the state corporate profits tax by 1/2 percentage point to 5 1/2 per cent.

The compromise followed a strong lobbying effort by multinationals which threatened to refrain from expanding operations in Florida or to settle elsewhere. It is in danger, however, because the corporate tax increase is opposed by Republicans and some conservative Democrats.

Some legislators want to compensate business with another tax break, but Mr Graham has threatened to veto this along with the unitary tax repeal.

The Governor has embarked meanwhile on a campaign to get the legislature to allot him \$10.4m to hire investigators and process fingerprints of employees in day-care centres. His office claims it receives 10,000 complaints a month of child molestation and that organised groups of deviants are seeking jobs in day-care centres.

The Governor's office implies that he may link passage of the childcare Bill with the unitary tax repeal. Many legislators believe the childcare issue is politically inspired and that Mr Graham, a Democrat, will use it to challenge Republican Senator Paula Hawkins in 1988.

## EEC and Japan fail to agree on VCRs

By Robert Cottrell in Tokyo

JAPANESE and European Community representatives failed to reach agreement in Tokyo yesterday on restraining Japan's exports of videocassette recorders (VCRs) to Europe in 1985.

Officials said they hope an agreement could be formalised and announced next week, however. They said Viscount Etienne Davignon, vice-president of the European Commission, had reached a basic understanding with Mr Keijiro Murata, Japan's Minister of International Trade and Industry, but that Viscount Davignon wanted to confer with EEC member countries before committing the Community to specific figures.

VCRs are among the most sensitive of nine categories of products for which exports from Japan to the EEC are restrained under a three-year agreement reached in February 1983.

European manufacturers were expected to produce and sell 1.3m VCRs for the current calendar year while Japanese exporters were allotted an EEC shipment ceiling of 3.95m finished VCRs, and 1.1m knock-down kits.

These allotments reflected expectations on the Japanese side a year ago that European VCR demand in 1984 would total around 6.32m units, though EEC expectations were pitched 1m units lower. In fact, VCR demand in EEC countries this year is likely to total only about 4.5m units. Domestic manufacturers may account for slightly less than 1m unit sales this year, with Japan taking the balance.

Viscount Davignon has been trying to persuade Mr Murata that the VCR demand in the EEC is likely to be little if at all improved in 1985, that European producers should have a protected market segment larger than the 1.3m units allocated for the current year, and that Japanese export expectations should be scaled down accordingly.

● The EEC feels "deep disappointment" over its trade relationship with Japan, but increased dialogue has helped ties, Viscount Davignon said yesterday.

"We have not been very successful at seeking our exports (to Japan) increase," he said.

## SIA discusses lease details for Boeings

BY DAVID HOUSEGO IN PARIS

SINGAPORE - Several Japanese banks are negotiating lease agreements totalling at least \$120m with Singapore Airlines (SIA) to help finance the purchase of new Boeing aircraft, banking sources said.

The sources said Bankers Trust Company was arranging at least two such packages with separate groups of Japanese banks each involving about \$60m, for two Boeing aircraft.

Four Japanese banks in late October signed a \$59.9m lease financing agreement arranged by Bankers Trust Company for SIA's purchase of a Boeing aircraft, they said.

They said the agreement was signed with Dai-ichi Kangyo Bank, Mitsu Bank, Sumitomo Bank and Tokai Bank. The amount sought was initially \$65m but this was scaled down to \$59.9m. The amount is payable in 15 years.

SIA last year ordered six Boeing 747s and four 757s.

## U.S. aircraft 'preferred by French air force'

BY DAVID HOUSEGO IN PARIS

THE FRENCH air force, which is due to place a major order for a new low-altitude defence system, yesterday indicated that its "technical preference" would be for Boeing's Awacs (Airborne Warning and Control System).

The statement by Gen Pascal de Chasse, head of air defence, in favour of the Awacs comes at a time when the French Government is close to deciding between the U.S.-built aircraft and a European alternative. The alternative would be a British Marconi radar system mounted most probably on an Airbus.

M Charles Hernu, French Defence Minister, said recently that France expected to make a choice by the summer of next year. But he added that if the Government chose the American system it would seek compensation from the U.S. in terms of purchases of French military equipment.

The French Government hopes to wring out of the U.S. substantial orders for the Rita (Reseau Integre de transmissions automatiques) battle-

fields communications system, as the price of any Awacs purchase.

Thomson, the French electronics and telecommunications manufacturer, in partnership with GTE of the U.S. is bidding for a \$5bn order to supply 25 U.S. army divisions with the new battlefield equipment.

A rival bid has been launched by Plessey of Britain in conjunction with Rockwell International of the U.S. Plessey is trying to sell its Paramign system which is shortly to enter service with the British army.

European manufacturers have an advance in this field. Gen de Chasse said yesterday that France needed a new low-altitude warning system. He added: "The air force's technical choice is for the Awacs." He said the U.S. system existed, was operational and available.

The French air force wants a new system to provide cover in the south east of the country and the Mediterranean. In the north, France is provided with early warning of low-altitude attacks by Nato even though it is not a member of the integrated Nato military command.

This announcement appears as a matter of record only.

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November 13, 1984



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Algemene Bank Nederland N.V.    Amro International Limited    BankAmerica Capital Markets Group  
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## DATAPOINT

We sparked the revolution.

## WORLD TRADE NEWS

### The Asian shipbuilding giants wrestle with a decline in orders

# Japan's yards await the upturn

BY OUR TOKYO STAFF

THE KAWASAKI Heavy Industries shipyard at Sakai, on the southern Japanese island of Shikoku is a model of mechanical efficiency. Numerically-controlled robots handle the metal-bashing, and the "Kawasaki Mammotbmel" which simultaneously welds together five super-tanker-sized steel plates, requires the services of just one worker to brush accumulated ash off the completed welds.

Japan builds good ships quickly in modern yards. It won more than half the orders placed for ships throughout the world in the year to March 31. Its conglomerates are still making profits. The situation might command little sympathy in Newcastle or Clydebank. But by Japanese yard standards, orders are tight and getting tighter, at least in the short-to-medium term.

Shipbuilding, fears Mr Kenji Tokutome, deputy director of the Ministry of Transport's shipbuilding bureau, "is beginning to lose part of its priority in the industrial set-up of the country. Something must be done to make the industry more competitive."

Jobs are shrinking, and wages are falling, the industry's workforce has shrunk from a peak of 361,000 in 1974 to 218,000 in March, 1984. Over the

past five years, a widening gap has developed in shipbuilding wages and those of workers in other industrial sectors, such as steel and petroleum.

Mr Tokutome, in common with several other world shipbuilding regulators, believes market demand will recover in 1985-1986. Even in the intervening depressed years, he argues, there will always be a sufficient level of demand for ships to keep leading yards in business. The industry also has strategic value for Japan, and is an important employer in otherwise relatively undeveloped provincial locations, such as Shikoku.

While Japanese shipbuilders prefer to talk about world competition in general terms, their biggest fear is far more specific—South Korea, whose share of world shipbuilding rose from 1.3 per cent in 1973 to more than 19 per cent in 1983. Even the Japanese shipbuilders readily acknowledge the quality of South Korean ships—and the cheaper prices. Officials at Kawasaki Heavy Industries say Korean yard quotes are typically 5 to 10 per cent less than those from Japan, and with the option of more attractive financing packages.

It seems clear that Japan would like to come to an understanding with South Korea which would enable the two

NEW BUILDING ORDERS	
Year to March 31 1984	
Total orders:	19.6m gross tons
Market share	
Japan	56.8 per cent
S. Korea	19.1 per cent
W. Europe	10.6 per cent
Others	13.5 per cent

Source: Japan Ship Exporters' Association

countries comfortably to dominate world shipbuilding. The two have been meeting informally on an industry-to-industry basis since late 1982.

But South Korea's recent gains in market share appear to have come more at the expense of Europe than of Japan. Western European yards' share of new building orders in the year to March 1984, fell to 10.6 per cent, from 18.7 per cent in the year before. In the first half of the current fiscal year, Japan's new export orders fell by 60 per cent, to 2.45m gross tons—but Korea's own orders fell 58 per cent in the first 10 months of calendar 1984.

In response to sluggish worldwide demand, Japan's Ministry of Transport has been overseeing for the past six years a reduction in operational capacity of Japan's yards to share

around such prosperity as may be available. Between November 1978 and March 1980, 37 per cent of existing facilities were disposed of, leaving a present capacity of 6.10m compensated gross registered tons (CGRT). Large and medium-sized yards may currently operate only up to 68 per cent capacity, a ceiling so far being maintained into the 1984-85 fiscal year. At Kawasaki's Sakai yard, this means that one of the three big docks is now used only as a parking space for ships awaiting repair.

Japanese shipbuilders are themselves now teaming up to bid for big contracts, in part to avoid a price war, in part because official capacity restraint means that one builder just does not have the capacity for a big, tight-scheduled contract like that due soon to be awarded by Sea-Land of the U.S. for six container ships. For the tenders, submitted last month, Mitsubishi Heavy Industries has joined forces with Mitsui Engineering and Shipbuilding; Hitachi Zosen is leading a team including Kawasaki Heavy Industries.

The Japanese industry may be depressed, but its yards can count on contracts placed by Japanese customers: other nations' shipbuilders would be grateful for such unwavering domestic loyalty.



Mr Nakasone: concerned about trade friction

### Trade friction group set up


TOKYO — Japan has set up a cabinet-level committee on trade friction and the internationalisation of its economy.

The committee includes Mr Yasuhiro Nakasone, the Prime Minister and Mr Shin-ichi Abe, the Foreign Minister.

Mr Nakasone told the new group he was concerned about trade friction and urged bold steps be taken to prevent current problems worsening.

Mr Abe, who was on Monday asked by South-East Asian ambassadors here to reduce tariffs on products from their countries, told reporters Japan should lower import tariffs on certain items.

This announcement appears as a matter of record only November 1984



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## S. Korean shipyards forced to shelve expansion plans

BY STEPHEN B. BUTLER IN SEOUL

THE WORLDWIDE shipping recession is finally sending South Korean shipbuilders in search of a safe harbour.

A year ago Mr Hong In-Kie, president of Daewoo Shipbuilding and Heavy Machinery, provoked a storm in Europe by suggesting that South Korea aimed to assume "a leadership role in the world's shipbuilding industry," overtaking Japan and, in the process, putting many European yards out of business.

By the end of 1983, however, the South Korean Government had already quietly shelved plans to expand the industry's annual building capacity from the current nominal 4m gross tons to 6m gross tons.

Some shipping executives are now privately pessimistic about the future, and Hyundai, the conglomerate that operates the world's largest yard at Ulsan, with an annual capacity of 2m tons, has shifted attention to expansion in electronics and automobile manufacturing.

"Korea's leading shipbuilder sees the handwriting on the wall," a banker said, "and will move away from emphasising shipbuilding."

The industry still has a healthy backlog. At the end of October, South Korean yards had 206 ships on order, amounting to 5.36m gross tons. That backlog will keep most yards busy into 1986.

Finished ships are sailing out of the yards faster than new orders are coming in. In the first 10 months of the year 401 ships were ordered totalling 1.61m gross tons. This is a 54.3 per cent decline in terms of gross tonnage over the same period of 1983, according to the Korea Shipbuilders Association.

Profits are suffering, too. Mr Chung Tai-Seung, director of Korea's Ministry of Trade and Industry (MTI), says the average per ton price for bulk carriers had dropped from \$300 in 1982 to \$200 this year.

Mr Chung says Korean yards can still earn a slim profit at those prices because of improvements in productivity and the availability of cheap locally made steel and diesel engines, manufactured under licence from European companies such as Sulzer Brothers, and Burmeister and Wain. Industry executives are more pessimistic, however, and many expect the yards to finish the year in the red.

None is yet contemplating layoffs or cutting back operations. Mr Chung is confident the South Korean builders will be able to weather even a long slump in the market by turning their attention to non-vessel construction.

Daewoo, whose Okpo yard

opened in 1981, has a 131-metre-wide dry dock serviced by a 900-tonne Goliath crane. Daewoo designed the yard to accommodate wide offshore platforms and floating plant.

This year 24.5 per cent of Daewoo's work is in non-vessel construction, and that percentage is likely to continue rising. The company has just received a \$250m order for six semi-submersible drilling rigs from Sonat of the U.S. The company has also landed a \$175m order for 10 38,000-tonne product carriers from a Greek shipping concern.

At the end of October, Daewoo's order-book included 78 ships for a total of 2.04m tonnes worth more than \$2bn.

Hyundai Heavy Industries, which has seven dry docks ranging in size up to 1m dwt capacity has a backlog of 55 ships, amounting to 2.2m tonnes worth \$1.2bn. Company executives say, however, they have no large deals in the offing and are worried about keeping their Ulsan yard busy after 1986.

Korea Shipbuilding and Engineering and Samsung Heavy Industry, South Korea's other two major yards, have even shorter order books, industry experts say, and may have to face tough decisions in 1985.

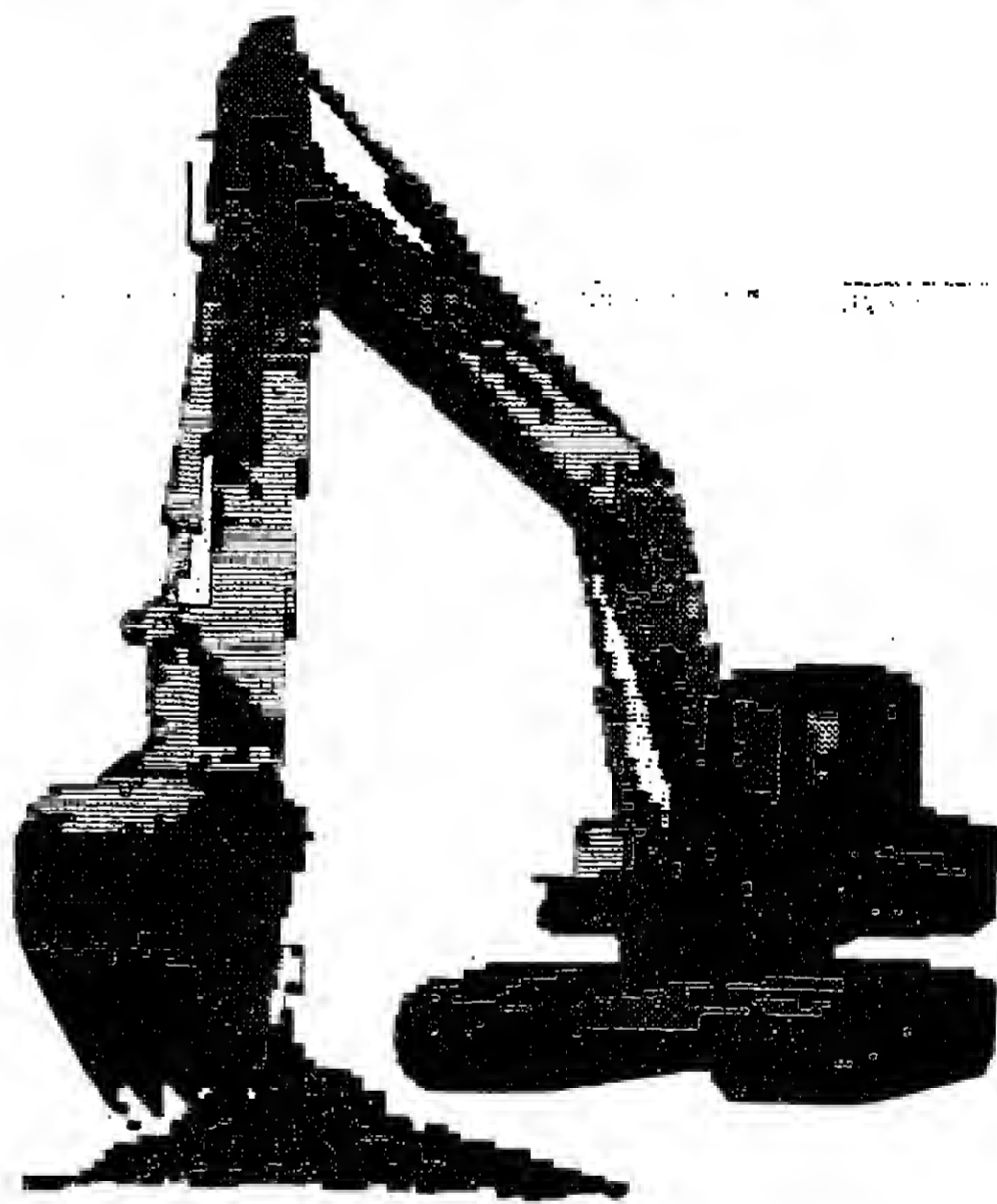
Another worry for the industry is the Government's intention to raise the cost of export financing as part of a general policy to reform the banking system and end financial subsidies to targeted industries. Up to now, the Korean Export-Import Bank has financed 56 per cent of a ship's price at 9 per cent for eight years, leaving the rest to be financed at commercial rates. Pressure from the industry has so far thwarted moves to raise the interest rate to 10 per cent.

Last month, executives from Japanese and South Korean shipbuilding companies met to find a way to help each other through the slump. The Japanese reportedly asked the Koreans to raise prices and to cut operational hours of their yards.

Korean companies, which have about 19 per cent of the world market, still think of themselves as newcomers. They are still paying back loans for building their yards and are not about to give up yet.

The Koreans do, however, seem to have given up hope for now of overtaking the Japanese industry, which accounts for over half the world's output of ships. Korean yards offer disciplined, relatively cheap labour, but the Government says Japanese workers are three times more productive.

# The British construction industry trusts Shell oils



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## Bus makers queue up for Bangkok contract

BY BOONSONG KTHANA IN BANGKOK

TWELVE international companies including European bus makers such as Leyland of the UK, Renault of France, Mercedes Benz of West Germany and Volvo of Sweden seem set to participate in a \$400m tender for the right to operate Bangkok's financially-ailing bus service.

The 12 have purchased tender documents, at a cost of approximately \$740 each, from the Bangkok Mass Transit Authority (BMTA), the state-run Bangkok bus agency, by the December 4 deadline.

Mr. Pichat Satichawal, the BMTA managing director, said the companies were most likely to

submit tenders by the January 15 cutoff date.

The 12 are Tripetch Isuzu, representing Japan's Isuzu; Swedish Motors (representing Volvo); J.F.G. Trading (Leyland); Thon Buri Assembly Plant (Mercedes Benz); Renault; Van Hool of Belgium; Berli Jucker (MAN of Germany); Singapore Motors; Thai Hino (Hino of Japan); Spain's Pegaso; Solati Montreal of Canada and Beca Worley of New Zealand.

Industry officials said the bid would be hotly contested, noting that European bus makers would have a hard time competing with the tough Japanese contenders.

UK NEWS

EMPLOYMENT SECRETARY SAYS MINERS' LEADERS MUST COME WITHIN THE LAW

Scargill demands stronger TUC support

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR ARTHUR SCARGILL, president of the National Union of Mineworkers (NUM), yesterday told leaders of the Trades Union Congress (TUC) that they must stop producing "mealy-mouthed resolutions" and begin to mobilise in support of the miners.

Mr Scargill's call, made at a rally at a Yorkshire colliery, came as the seven TUC leaders charged with liaising with the NUM met to consider the call from the miners' delegate conference on Monday for total industrial support.

The signs are that the TUC will be cautious. A number of senior general council members - such as Mr Tony Christopher, general secretary of the Inland Revenue Staff Federation, and Mr Bill Whatley, general secretary of the shopworkers' union Unswag - indicated yesterday that TUC support should be limited to lawful actions.

The TUC has privately made it clear that the NUM's decisions to defy the High Court and leave its £200,000 contempt fine unpaid were taken without reference to or advice from its officials or legal advisers.

Mr Scargill told the 1,000 miners at the rally that receivers and sequestrators appointed by the court would not stop the union winning "the greatest victory in history".

Mr Tom King, the Employment Secretary, said that TUC leaders must now say "absolutely loud and clear" to the NUM that it must come within the law. "If they go on, more funds will be lost. It is monstrous that when there is hardship among union members and their

families that union money is being put at risk in this way as though they could win the battle - which they cannot."

The National Coal Board (NCB) is to come under increased pressure from the pit supervisors' union Nacods over the issue of redundancies. Mr Peter McNestry, the Nacods general secretary, is to write to Mr Ian MacGregor, the NCB chairman, to demand that the board reaffirm previous commitments to the union that all redundancies should be voluntary.

This follows comments made by Mr MacGregor at a meeting of the Coal Industry National Consultative Committee last month to the effect that he could not give such a pledge.

The Nacods executive, which met yesterday, also discussed a dispute

between the board and its members in the North-east of England, where the union alleges a number of members have been sent home without pay, the issue which almost precipitated a Nacods strike. It now seems, however, that the two sides have backed off from confrontation.

Leaders of the National Working Miners Committee yesterday denied reports that they had received advice from Mr MacGregor or other NCB officials. Mr Tony Morris, a committee member said: "We have had neither advice, nor money, nor assistance and we didn't ask for any. We have only begun taking money from business in the last few weeks after it was clear that Scargill was taking money from the Libyans."

Legal moves have been started to have the strike in two more areas of

the NUM ruled unofficial and illegal, the High Court was told yesterday, Raymond Hughes writes.

A South Wales miner and a member of the union's cokermen's group claimed the right to inspect union minute books to see how the strike in their areas had been authorised.

Mr Justice Vinelott granted Mr Paul Watson an injunction requiring the cokermen's area to allow him to inspect the minutes. The judge was told that, since the proceedings were started, arrangements had been made for Mr Ieuan Thomas to see the South Wales minutes today.

Mr Richard Slowe, counsel for both men told the judge that when Mr Thomas and his solicitor had previously gone, by appointment, to inspect the books at the South Wales union's offices, they had been attacked.



Mr Moss Evans

Transport union will refuse to pay fine

By Philip Bassett, Labour Correspondent

LEADERS of Britain's largest union, the Transport and General Workers (TGWU), yesterday decided not to pay a £200,000 fine for contempt of court in a case arising out of the new Trade Union Act.

The TGWU's general executive council endorsed a report by Mr Moss Evans, the union's general secretary, on the legal action brought by Austin Rover, BL's volume car subsidiary, against the TGWU and other unions for their failure to hold a ballot before a strike last month.

No vote was taken on the executive when it discussed the issue yesterday and on Monday. Executive members simply acknowledged Mr Evans' reaffirmation to them of the TGWU's binding decision, at its policy-making biennial delegate conference last year, not to co-operate with the Government's labour legislation - and, specifically, not to pay any fines arising from it.

The union would make no formal statement yesterday. TGWU leaders are concerned that previous statements have been used in evidence in court against the union. But the TGWU is set to make an announcement tomorrow on the executive's decisions on the range of issues discussed this week.

While the TGWU's decision will give comfort to the National Union of Mineworkers in its conflict with the law over the pit dispute, it is not yet clear whether the TGWU's stand will place it in confrontation with the courts.

TGWU leaders are seeking further legal advice and there is a strong possibility that the union will break with its policy of refusing to attend any court hearings by appearing in court when the case returns there on Monday.

The defence considered by the TGWU is understood to rest on three main grounds:

- That the union did not initiate the action at Austin Rover - the defence successfully used by the white-collar engineering union Tass to avoid a fine, although not to avoid being found to be in contempt.
- That Austin Rover, by providing the facilities for mass meetings and the time for them to be held, effectively encouraged workers to attend them, rather than the ballot required under the 1984 Act.
- There is no requirement under the 1984 Act to fine unions for failing to hold a ballot - simply that they lose their legal immunity from civil action if they fail to do so.

The fine, however, was for contempt of court - described by Mr Justice Hodgson as "one of the worst cases of disobedience of this court that there can ever have been" - not for being in breach of the provisions of the 1984 Act.

The union may also argue that its contempt has not and cannot be repeated, since the strike over pay is now over.

Even so, the court may still decide to order the sequestration of the union's assets because of its decision not to pay the fine. Lawyers for the TGWU may argue that because it is only a single attempt, and because the union's policy leads it to this course of action, sequestration should be only limited.

Discovery by Texaco confirms new North Sea oilfield

BY DOMINIC LAWSON

TEXACO, the U.S. oil company, has found oil in a North Sea block 106 miles due east of Aberdeen. The well is reported to have flowed at a rate of 5,200 barrels a day.

The discovery is 1 1/2 miles south-west of a Texaco discovery on block 21/24 and confirms the existence of a new North Sea oilfield.

Both discoveries are shared equally between Texaco and Chevron, also of the U.S. Oil analysts believe that the field could amount to 50m barrels of recoverable oil.

This may not in itself indicate commercial development, but both discoveries are just west of Shell/Eso's Gannet oil cluster.

This collection of oil accumulations is thought to amount to at least 200m barrels, and it is believed that Texaco and Shell have had informal discussions about some way of developing their fields in tandem.

Sovereign Oil & Gas, the UK exploration company, also revealed

yesterday that it had tested high pressure gas on its block 310/28, 150 km North East of Aberdeen.

Although the discovery appears too small to be developed commercially it is further north than any previous discovery of UK North Sea oil or gas and will, therefore, encourage the oil industry. Other UK oil companies involved in the Sovereign find are North Sea & General, and Trefalgar House.

Lasmo, one of the UK's leading independent oil companies, has found oil and gas on a well offshore Gabon. It is the second oil discovery by Lasmo in the area, and the company said yesterday additional drilling would be carried out on both prospects. Analysts believe the two discoveries could add up to 100m barrels of recoverable oil. Lasmo has a 25 per cent stake in the fields, its partners being Tenneco and Conoco, both of the U.S.

Britain's Little Texas, Page 9  
Stanol price move, Page 18

MPs braced for revolt over student fees cuts

BY OUR PARLIAMENTARY STAFF

SIR KEITH JOSEPH, the Education Secretary, conceded in the House of Commons yesterday that opponents of plans to increase parental contributions to student grants and fees had "a strong case" over the timing of the move.

Conservative critics of the proposals dominated questions by MPs. Only Mr Ralph Howell spoke in support of Sir Keith, indicating that the Government could face a substantial revolt at the end of tomorrow's debate on the autumn economic statement.

This is expected to focus on the education proposals unless senior Tories are successful in finding a compromise which will reduce the immediate impact on parents - the main concern of many MPs.

Sir Keith insisted that students would remain heavily subsidised by taxpayers, many of whom were less well off than students would be after graduation.



Sir Keith Joseph  
Sir William van Straubensee was cheered, however, when he accused Sir Keith of straining the loyalty of Tory MPs.

Court clears Dixons bid for Currys

BY CHARLES BATCHELOR

THE HIGH COURT in London yesterday cleared the way for Dixons, the electrical group, to complete its £240m takeover of Currys, its retailing rival.

After two days of hearings Mr Justice Vinelott rejected as "incomplete and flimsy" the arguments put forward by Currys and by Scottish Amicable Nominees, one of its shareholders, and ordered Scottish Amicable to pay costs for both sides.

He granted Dixons' applications to lift the injunction obtained by Currys and Scottish Amicable late on Friday evening blocking the takeover bid.

The judge's ruling frees Dixons to continue acquiring Currys' shares from shareholders who have accepted the bid. Trading in the shares of the two companies, which have been suspended at their own request since Monday, is expected to resume today.

Morgan Grenfell, merchant bank advisers to Dixons, said it hoped the court ruling would demonstrate there was no need for the contestants in takeover battles to resort to the law on the U.S. model.

Currys and its merchant bank advisers S.G. Warburg were in talks last night with the Takeover Panel. The panel said it did not regard Currys' resort to the law as a threat to the self-regulating principle of the City of London.

The arguments in court con-

cerned two main issues - Scottish Amicable's right to withdraw its original acceptance of the bid in respect of its 6.6 per cent holding in Currys, and Dixons' right to count shares which had not been restated with their new owners towards its total of acceptances.

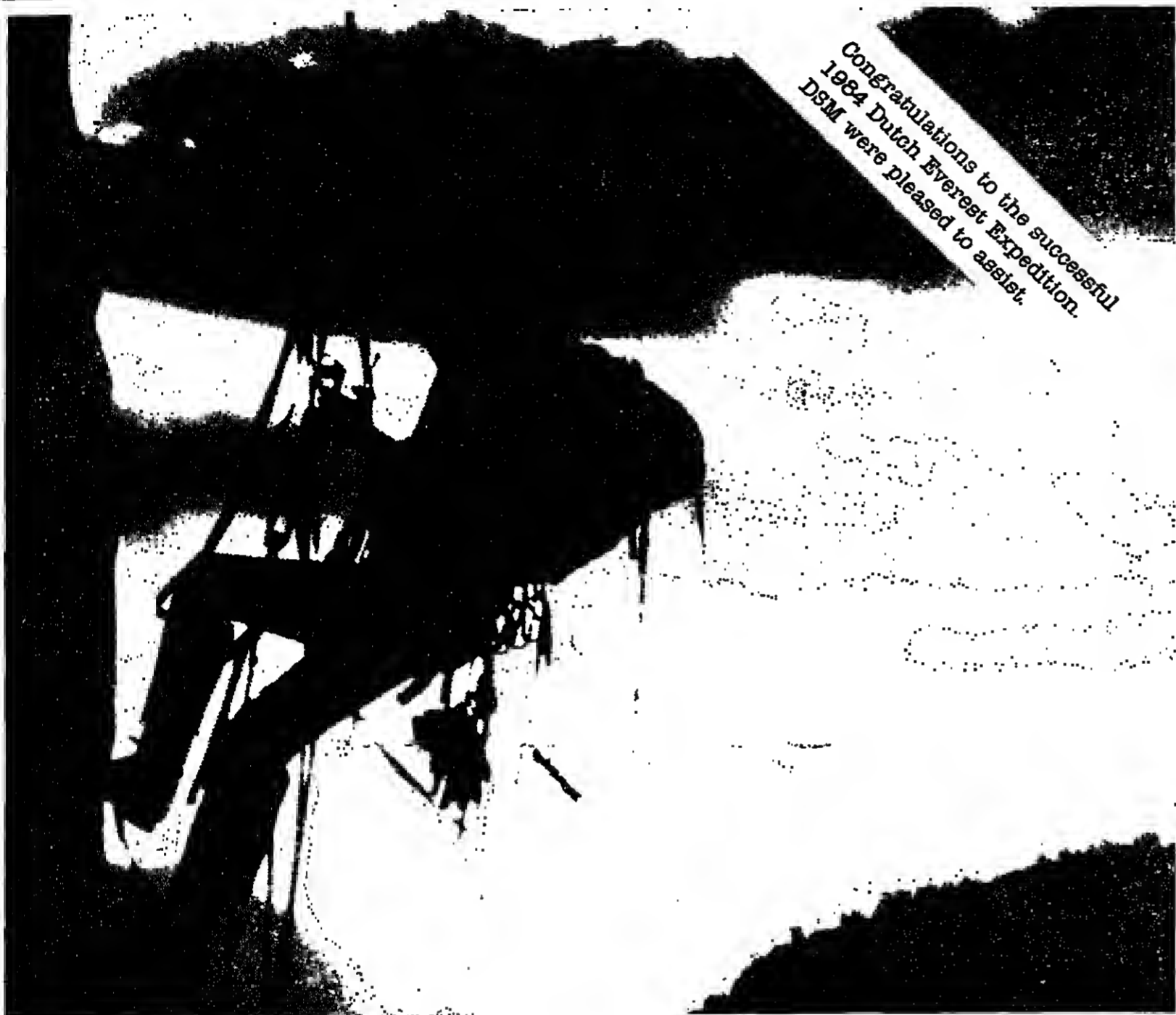
On Friday afternoon Dixons declared its offer had gone unconditional at 12.15 pm with acceptances from 50.6 per cent of the shares. If the Scottish Amicable had withdrawn its holding Dixons' stake would have fallen below the crucial 50 per cent level, Currys argued.

Mr Justice Vinelott said he accepted that the document presented by Scottish Amicable's stockbroker, W. Greenwell, to Morgan Grenfell, in an attempt to withdraw its acceptance, was not valid.

The photocopy of a letter from Scottish Amicable which Morgan Grenfell rejected was not in itself a letter of withdrawal but was merely an authority for someone to sign a letter of withdrawal, the judge said.

Currys also argued that even if Scottish Amicable was not allowed to withdraw its acceptance, Dixons still did not have sufficient valid acceptances to declare its bid unconditional.

Mr Justice Vinelott accepted that Morgan Grenfell was entitled to count acceptances which had been certified by the registrar or the Stock Exchange even if the shares themselves had not yet been registered in the name of the new owner.



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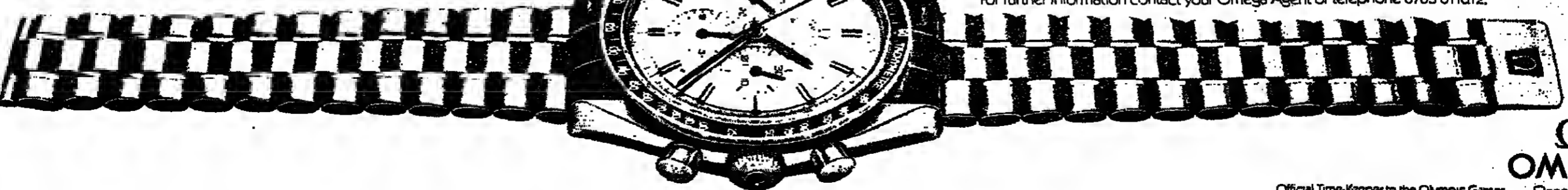
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UK NEWS

Belfast shipyard wins £30m contract

HARLAND AND WOLFF, the state-owned Belfast shipyard which is not part of British Shipbuilders, has won a £30m order from British Steel Corporation (BSC) to build a large bulk carrier to import iron ore.

The vessel will be 173,000 deadweight tonnes, the same size as a similar ship delivered by the yard to BSC earlier this year. That ship, called British Steel, docked at the Teesside terminal of Redcar last week with her first cargo, 153,000 tonnes of iron ore from Brazil.

BSC carries about half its annual imports of 1.4m tonnes of iron ore and 3m tonnes of coal and coke in its own ships. The new ship will actually be owned by Lloyds Equipment Leasing part of Lloyds Bank, and chartered to BSC for 18 years.

For BSC the attractions of the deal are that 25,000 tonnes of its own steel plate and sections worth £8.5m will be used in the ship's construction. BSC will also have its own modern tonnage available when needed, and the financial advantages of the leasing deal, along with subsidies, have enabled Harland to match Far Eastern prices and beat off competition for the order.

Neither side would give details of the financing arrangements yesterday. The four ships already built by Harland for BSC in the past seven years total over £30,000 dwt.

For the Belfast yard, which sharply reduced losses in the past financial year, the new order brings its total workload up to £225m, of which £150m has been won in the past year.

The large size of the ship is in line with order trends in world shipping markets, though most ships in this range are being built in Japan.

Vessels of this size are built with fixed cargoes and routes in mind, such as Brazil or Australia to Japan. Thus, BSC would find it hard to charter such tonnage, especially of new and fuel-efficient vessels, in the open market.

There are more than 30 bulk carriers on order in world yards above the 100,000 dwt size, more than half of them in Japan.

British Shipbuilders, with yards in England and Scotland, was not seriously in the running as it does not have a single dock large enough for such a big merchant ship.

BRITAIN is to investigate reports that flights taking food to famine-stricken areas of Ethiopia have been halved because of grain shortages. Mr Neil Kinnock, leader of the Labour Party, complained in House of Commons that Royal Air Force flights had been reduced to three a day because there was little grain left in Addis Ababa.

UK EMPLOYEES working in the U.S. will no longer be required to make social security contributions in both countries under a new agreement between the two countries. Employees sent to work from one country to another will be required to pay social security contributions only to their home scheme for at least the first five years.

People who have paid contributions under both the UK and U.S. schemes will be able to aggregate their insurance for the purposes of qualifying for a retirement pension and in certain circumstances for invalidity benefit.

GROWTH of Jersey's finance industry has helped the island to show a budget surplus of £17m this year. The estimated surplus for 1985 is put at more than £25.5m. No increases in direct or indirect taxation are proposed for next year and income tax allowances are to be improved in line with the cost of living.

ROYAL ORDNANCE works (state-owned weapons factories) were brought to a standstill by a one-day strike in protest at plans for 1,819 job losses in advance of privatisation. The Defence Ministry said all manual workers and about half the white collar staff at 13 plants went on strike.

Heath criticises Tory plans to scrap councils

BY IVOR OWEN, PARLIAMENTARY STAFF

MINISTERS were warned last night by Mr Edward Heath, the former Conservative Prime Minister, to prepare for their plans to abolish the Greater London Council and the six English metropolitan county authorities to be overturned by the House of Lords.

In a biting indictment of the mishandling of changes in local government by the present Cabinet, he forecast in the House of Commons that while the Local Government Bill would not be rejected outright by the Lords, it would be so radically amended that the preservation of an overall elected local government body for London and the other large centres would be unavoidable.

His condemnation of the provisions, which will lead to the replacement of directly elected authorities by a proliferation of indirectly elected nominated bodies, was powerfully endorsed by another former Conservative Cabinet minister, Mr Geoffrey Rippon.

Mr Heath claimed that the commitment to abolish the Labour-controlled Greater London Council and the six metropolitan counties had been made against the wishes of the Conservative Party's policy committee and without the general assent of Conservative MPs representing constituencies in the Greater London area.

He contended that it would be un-

precedented for such an important change in the structure of local government to be made without a public inquiry. He protested: "What we are seeing is the complete fragmentation of local government and for one purpose only - so that the Government can have more power over local authorities to deny them the money which their local constituents want them to have in order to carry out the services they have."

Mr Heath ridiculed the position of ministers like Mr Kenneth Baker, the recently appointed Minister of State for Local Government, and Mr William Waldegrave, a junior minister at the Department of Environment, who, as a result of the Government's ill considered policy, had found it necessary to "stand on their heads" and repudiate views they had expressed in the past.

Mr Rippon warned that the powers which the Bill conferred in the Environment Secretary struck "at the very heart of our democratic society." He declared: "I believe these powers are intolerably far-reaching and unacceptable."

He questioned whether the Government's claim that the abolition of the seven authorities would produce big savings could be justified. Even on the most optimistic interpretation of the figures, he believed that the savings would be negligible.

Telecom goes to U.S. for refurbished image

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LANDOR ASSOCIATES, the U.S. design consultancy, has won a second major British design project. British Telecom, which has just been privatised by the UK Government, has awarded it a substantial part of a contract to create a new corporate design identity.

This follows the decision by British Airways - also due to be offered to private shareholders early next year - to spend £32m on a new livery.

Neither Landor nor British Telecom would reveal any details of their design contract yesterday. The use of the U.S. company to handle the image of the airline has been criticised by some of Britain's leading designers, notably Sir Terence Conran.

Landor has several other airline clients, including Alitalia of Italy and SAS, the Scandinavian airline, in consultation with Chester Jones, a UK company.

The new British Airways livery will be based on three colours - pearl grey, midnight blue and red. It will be used for all the fleet with the exception of Concorde which is to have a livery of its own.

The aircraft will have the top fuselage in grey and the bottom in blue with a long red "Speedwing" flash along the sides below the name British Airways in capital letters. The tail fin will continue to

Sizewell claim denied

BY A SPECIAL CORRESPONDENT

THE CENTRAL Electricity Generating Board (CEGB) yesterday challenged a claim by a French engineer that radiation dose targets for workers at its proposed Sizewell B nuclear power station were unrealistically low.

M. Jean-Claude Zerbib, a radiation protection engineer, told the Sizewell B public inquiry yesterday that radiation doses received by workers at 30 similar pressurised water reactor (PWR) plants worldwide were nearly double the CEGB's target. The average dose

bear the partial Union flag emblem, but surmounted by the airline's heraldic coat of arms.

Commenting on the cost of the new livery, Lord King, chairman of the aviation advisory company at Heathrow, London, yesterday said the overall cost would be £42m spread over two to three years. Much of that expenditure was necessary anyway, since the airline already spent up to £15m a year on refurbishing, including repainting aircraft.

"We are going to accelerate that process," said Lord King. As aircraft become due for repainting under normal maintenance, they will be given the new livery, but where possible the work will be speeded up to ensure that the entire fleet has the new look within about two years.

The external cost of the new livery - the money to be spent outside the airline on materials such as paints, textiles, carpets, new shop and property signs, stationery and in-flight equipment - will amount to about £24m out of the £42m. This will be spent at UK manufacturers.

Another aspect of the changes will be an entirely new design of uniform for stewardesses and other staff, to be produced by an undisclosed British design company, and to be unveiled soon.

A new image, Page 10

BP sets pace in a little Texas

BY DOMINIC LAWSON

DRIVERS on the A516 road out of Lincoln in eastern England may be excused for rubbing their eyes. Both to the left and to the right of the road oil rigs are puncturing the skyline only a few miles from the cathedral city.

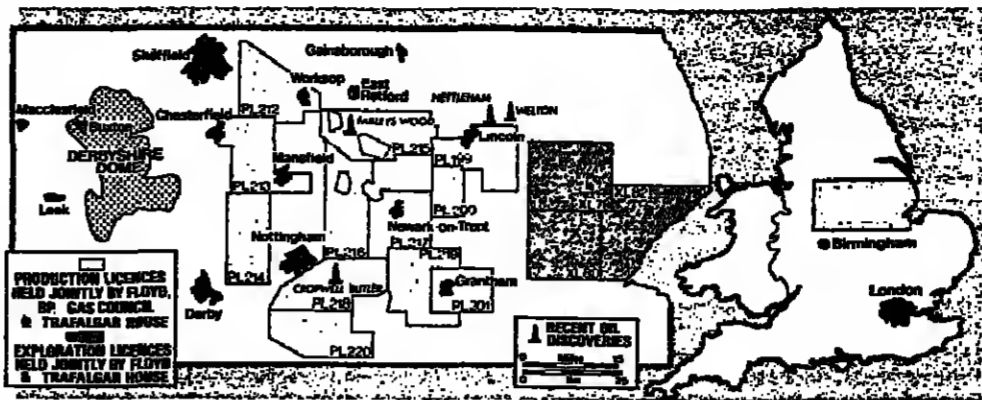
"At night with the rigs all lit up, it reminds me of Texas," says Mr Tod Floyd. Mr Floyd means this in the nicest possible way. He is the founder chairman of Floyd Oil, which has a 25 per cent stake in a rig on the right-hand side of the road. This is called the Cherry Willingham well, and Mr Floyd has high hopes that it will turn out to be called the Cherry Willingham oilfield.

On the other side of the road, a rig is drilling on British Petroleum's Welton oil discovery. This contains at least 10m barrels of crude oil and the Government has just given BP the go-ahead to develop the field, at a cost of £27m.

While the media and financial markets have concentrated on the exploits of the oil industry in a substantial way, BP has become very enthusiastic over prospects in the East Midlands.

Mr David Green, British onshore operations manager, says that BP plans to drill 60 exploration and appraisal wells onshore in the UK for each of the next four to five years. Last year 21 wells were drilled in the UK by the entire industry, and that was the second busiest year yet for onshore drilling.

Mr Green does not include, in what he describes as "this massive work programme," any wells that are planned on BP's Wyth Farm oilfield in Dorset, the biggest onshore discovery in Western Europe. The great majority of the wells are to be drilled on the so-called "East Midlands shelf," which spreads across parts of Nottinghamshire, Derbyshire, Lincolnshire, Leicestershire and Yorkshire. According to Mr Green, one of next year's wildcats will be sited "bang in the



PRODUCTION LICENSES HELD SOLELY BY FLOYD, BY GAS CHECKS & TRAFALGAR HOUSE. EXPLORATION LICENSES HELD SOLELY BY FLOYD & TRAFALGAR HOUSE.

middle of Mansfield" (a Nottinghamshire town).

In exploring the East Midlands, BP is going back in history. In 1939 it struck oil at Eakring, Nottinghamshire, followed by three nearby discoveries. In the second world war, BP managed to wrest over 300,000 tonnes of crude oil from the fields. Britain's only oil supplies out of range of the U-boats.

Although BP made a few small discoveries in the Midlands in the immediate post-war period, its interests in the area waned as the North Sea's development started up in the mid-1960s. But in 1981 BP discovered, and in 1983 successfully appraised, an oil discovery near the Lincolnshire village of Welton.

The field's reserves exceeded anything previously found in the area, and over the last year and a half BP has made a string of further oil discoveries in the vicinity. This year BP astounded UK oil analysts by naming the East Midlands, along with offshore China, as the area where it had highest hopes for future oil discoveries.

BP has been finding significant amounts of oil near sites which were drilled and abandoned in the 1940s and 1950s. The recent Nottinghamshire Farley's Wood oil discovery, which BP hopes to develop, is near a 1943 Farley's Wood drilling

campaign which was abandoned as a failure.

Another recent BP Nottinghamshire discovery, Cropwell Butler, is only hundreds of metres from an abandoned 1958 well. According to Floyd Oil, a partner in the Cropwell Butler discovery, the new well is producing oil "in significant amounts."

The advent of modern seismic technology has much to do with this renaissance in the East Midlands. Many of the earlier generation of wells were based on no more than analysis of the visible contours of the land.

Mr Schoerd Schuleyman, BP's onshore exploration head, comments: "When I arrived in the East Midlands I thought I was coming to a mature oil province. I've been amazed to find that it is no different from the world's frontier oil provinces."

He says that BP will be concentrating its onshore efforts on the so-called "4 Party Joint Venture," a consortium equally shared by BP, British Gas Corporation, Floyd Oil and Trafalgar House. This group is exploring 620,000 acres in the East Midlands, but must relinquish half of that swathe by August 1986.

This awkward fact explains much of BP's current onshore activity. It desperately wants to avoid leaving

any prospect undrilled, now that it has belatedly upgraded the whole area. It seems that some of BP's partners feel that this is partly the result of a far too slow seismic and drilling campaign since the 4 Party Joint Venture was set up in 1975.

The partners in the venture seem sanguine that many more oil discoveries of up to 10m barrels each will be made on their 620,000 acres. Ironically, British Gas will not be allowed to keep any of that oil, since the Government's policy is that the corporation should not be in the oil production business.

British Gas has already been ordered to sell its share in the Welton oilfield, although the corporation is hoping to be able to swap any of its onshore oil discoveries for gas discoveries of similar value.

According to Mr Floyd, the East Midlands is so cheap to develop that discoveries as low as 500,000 barrels could be commercial. Most importantly for the oil companies, they have come across none of the local environmental pressure group opposition that has delayed the development of discoveries in the south of England.

The Welton development is set in attractive open countryside, but it is also in a part of the country familiar with another extractive industry, coal.

Kodak to close film processing laboratory

By Walter Ellis and Stephen Feldman

KODAK, the U.S. photographic group, is to close its colour processing laboratory at Hemel Hempstead, north of London, in April with the loss of 160 jobs.

The plant is one of the most famous processing laboratories in Europe and has been developing and printing films at Hemel Hempstead since 1957. Many of the best-known British professional photographers use its services and will now have the work carried out by Kodak in Paris. The company says that the film turnaround period will be unaffected by the change.

Kodak says it has become uneconomical to continue with the work in the UK. Kodachrome film, which has to be processed by the manufacturer, has lost ground in Britain in recent years as cheaper, more convenient processes have become available. On the European continent it remains widely used, especially in France.

Super Eight film from Kodachrome will be processed in future at Stuttgart, West Germany.

Kodak employs 8,700 people in the UK. There have been about 4,000 redundancies in recent years, nearly all of them voluntary. The planned Hemel Hempstead closure is the first complete shutdown and is being opposed by the Transport and General Workers Union on the grounds that it was never properly negotiated and offers inadequate severance terms.

Kodak points out that still and movie film from Britain has been sent to France and West Germany for some time. The facilities there are said to be the most advanced of their kind in the world.

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Advertisement for BP drivers offering a 9% pay deal. It details the terms of the offer and mentions that it is supported by the Labour Staff.

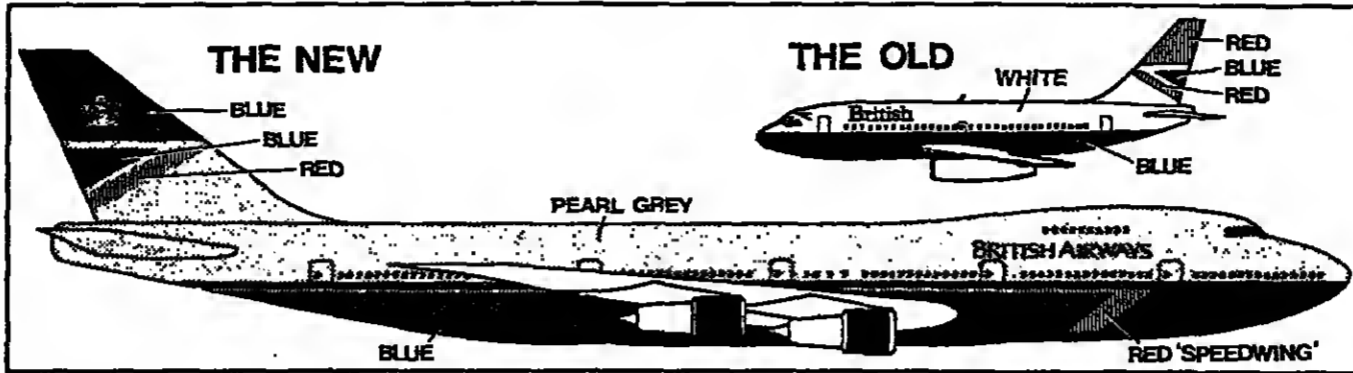
Vertical text on the left margin: Texas field, revolt cuts, Dixon, OMEGA

## THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

# Why British Airways is changing its colours

Alan Brew explains the background to the re-design of the airline's corporate image



ANCHORED off pier 5 in San Francisco harbour is a converted ferry boat called the Klamath. From the ceiling of a room which overlooks the bay hang scale models of aircraft bearing some of the 17 airline liveries which Lander Associates, the world's largest design consultancy, has designed since 1969. They include Alitalia, Singapore Airlines, Thai Airways, SAS, and Ansett Airlines of Australia. Soon another will be added, bearing the new corporate colours of British Airways.

The new model will take pride of place at Lander's floating HQ. It represents "probably the longest and most comprehensive design exercise of its kind," according to John Diefenbach, Lander's president. It has certainly been one of the most contentious corporate identity programmes the firm has undertaken.

Yesterday the real thing was noisily unveiled in a hangar at London's Heathrow Airport by British Airways. Two sleek and shining Boeing-747 and 737-400 were scrutinised by the invited audience of 200. There was the steady controversial crest on the modified tail fin. The familiar dark blue fuselage belly was still there, but along its length ran the "speedwing," a thin red line just inside the blue which terminated in a downward tick repeating the diagonal red stripe of the tail fin. On the pearly grey upper half of the fuselage, in place of white, the full title of "British Airways," instead of just "Britisb," was picked out in smaller unfamiliar lettering.

For the airline it was the culmination of weeks of frenzied activity, during which nerves became increasingly frayed in the face of a shrill chorus of criticism after parts of the new design appeared in the press.

But the significance of the identity change lies beneath the graphic images. The programme is intended to signal a set of newfound values within BA and serves to give at least the appearance of strategic coherence as the airline makes the potential hazardous flight into privatisation next February.

The whole programme will take about two years to implement fully on all its 167 aircraft (both outside and inside), and on check-in desks, lounges, shops, ground vehicles and all printed material, — timetables, tickets, baggage tags, etc. BA calculates it will cost about £24m (including the £2m Lander fee), about half a percent of the expected revenue over the period and the same cost as the current advertising campaign devised by Saatchi and Saatchi.

The last three years have been a period of dramatic shake-

up for the state-owned airline, which now shows signs of really turning itself round. Under the chairmanship of Lord King a 1981 loss of £95m has been turned into a profit for 1983-84 and one of £189m for the last six months. The arrival of Colin Marshall from Avis as the new chief executive in February 1983 gave added impetus for cost cutting and rationalisation to be accompanied by a new marketing strategy based on service. During the summer of 1983 15,000 customer service staff were put through a two-day "putting the customer first" programme (see FT April 24 1984), catering was substantially improved and the Saatchi ads were delivering the new hi-tech electronic promise of "the world's favourite airline."

But Marshall felt that BA's corporate identity (its visual image) was badly out of joint with its new service-led strategy.

Lander's reputation in airline work was not unknown at BA. Jan Carlzon's now legendary turnaround of Scandinavian Airlines into one of the world's most profitable airlines—Airline of the Year in 1983—was backed up by a corporate identity programme by Lander. According to Stuart Luxon, BA's general manager, marketing services, the whole business of BA's corporate identity was being handled in an ad-hoc and unco-ordinated way. He says the existing livery with its stark red, white and blue was too reminiscent of the Carnaby Street, swinging London era which was no longer appropriate (although still much loved by BA staff).

## Reach all markets

It was designed in 1973 by Negus and Negus and consisted of a stylised Union Jack flag on the tail, white and blue fuselage, with British Airways in red and blue lettering (shortened to the single word "British" two years ago) and a small speedbird, the old BOAC symbol, near the nose. The firm is still retained by BA for various projects.

"We needed something to signal that changes were taking place," says Luxon, "something distinctive and broad enough to reach all markets. The existing one has been good, but there was tremendous pressure to get things moving, and we had left it for as long as we could." BA says that Lander was already working on new interior designs for Concorde by the time this realisation had fully entered the corporate consciousness. Two British design firms, Negus and Fitch and Co, to-

gether with another U.S. firm, were invited to submit designs for other aircraft interiors. But Lander's work had already impressed, its track record was known and it was invited to handle the entire programme.

Luxon says the work was not put out to tender because "a lot depends on the interaction between the designer and the client." There was pressure to do something immediately in the summer of 1983, and competitors, apart from being a slower process (submissions often have to go back for amendment — "look at the National Gallery") did not achieve anything.

"Like all brave marketing decisions, it was an act of faith," says Luxon. "We knew what we wanted, we knew what was available, and we knew what Lander could do."

It is the fact that this design plum was seemingly handed on a plate to Lander, a U.S. firm to boot, which has so incensed certain sections of the British design community.

The focus of the criticism about the work appears to be the use of the BA crest (motto: to fly, to serve) which was devised by the College of Arms in 1978. It already appears on some printed material (menus, etc) on uniforms and in the entrance hall of Speedbird House, BA's headquarters at Heathrow. Lander has placed it on the tip of the tail of the aircraft where, it says, it constitutes an endorsement, a hallmark of quality and is not a major part of the new design.

But the director of the Society of Industrial Artists

and Designers, Michael Sadler-Foster, considers the design (the crest) to be wholly inappropriate for an airline and more in keeping with a packet of cigarettes.

But this view is not universal. Wally Olins of Wolff-Olins, the British corporate design specialists which competes with Lander regularly for corporate identity work, views the controversy with some disdain.

"The most distressing aspect of all this is that it highlights the design community's lack of confidence in itself," says Olins. "I must dissociate myself from the whole unpalatable business; it has the sickly smell of xenophobia about it."

The yelps of anguish are likely to get louder with the news that a major part of another design plum, this time in the shape of the newly privatised British Telecom, has fallen in to Lander's lap. (So far BT has declined to comment.)

Meanwhile, Lander has been biting its tongue and views the fuss with a certain amount of equanimity. But many British designers will be discomfited further to learn that Lander's London office, which is also the European headquarters, will be as large as San Francisco's inside five years with possibly up to 100 staff.

Whatever the pros and cons of the controversy the important thing for BA is that the once floundering and unwieldy airline now feels that it has a coherent identity which is based upon a coherent strategy and which signals a sense of common purpose.

## The 5-point design plan

APART from the £2m fee, the BA project represents 18 months of intensive work for Lander. A team of up to 30 senior people was involved in more than 1,000 meetings with various levels of the airline's bureaucracy at a particularly volatile period.

To a certain extent Lander's name is flying with BA. It will be more than happy for its work, considered by one British designer in a moment of more sober reflection to be "an American version of British good taste," to be judged on results, and not solely on taste.

John Diefenbach, Lander's president, was invited by TV-am to a debate on the work with Sir Terence Conran, the self-appointed spokesman for British designers in the controversy over BA's change. He declined but said he might consider it to a year's time when the real value of the new work will be apparent.

The starting point for Lander was BA's statement: "Our corporate goal is to become the best airline in the world," which emerged during the first phase of analysis in Lander's four phase methodology. In this period the BA organisation was analysed, its current position against competition established with the use of "perceptual maps" and its goals identified and defined.

There were four basic reasons why BA wanted to change:

1. Fitting the customer first. This was the fundamental marketing strategy BA was developing with its emphasis on service.

2. Distinctiveness from competitors. BA and its main competitors had a similar look which consisted of a white fuselage with strong nationalistic images.

3. Discontinuity from the past. BA was anxious to signal change.

4. Pride of origin. Taken to indicate values rather than nationalism.

5. Precision and professionalism. Extolling the technological innovation and competence of the airline.

The second phase, design development, produced between 200 and 300 different design possibilities. Many abstractions for use as a symbol were developed, including several versions incorporating the flag in a more stylised manner. A computer graphics globe was considered, as was a design based upon the old BOAC speedbird (more for the sake of proving to BA that it would not work). The possibility of using BA as the basis of a symbol was investigated together with other word combinations such as British Air.

By mid-January two prototype designs were produced, one of which became the final choice, with the other representing an intermediate design between the original and the new design. All three were tested by market research in 10 countries chosen by BA—UK, U.S., France, Germany, Japan, Australia, India, Kenya, Saudi Arabia and South Africa.

Apart from BA's own feelings about the Carnaby Street quality of the strongly coloured flag symbol on the tail, Lander's view was that, as the dominant visual image of the airline, it did not transfer well on to other aspects of BA's identity (shops, printed material, and so on) and was an inadequate device for a single central identity. "It was only really effective on the tail," says Diefenbach.

There was, it was felt, also an associated marketing problem. The large union jack in strident primary colours, together with the single word "Britisb" was seen to be an over-aggressive nationalistic statement which was strongly negative, particularly in Kenya, India and Australia. A five-point design platform was developed between Lan-

dor and BA on which the design brief was built. This was:

1. Precision and professionalism. Extolling the technological innovation and competence of the airline.

2. Distinctiveness from competitors. BA and its main competitors had a similar look which consisted of a white fuselage with strong nationalistic images.

3. Discontinuity from the past. BA was anxious to signal change.

4. Pride of origin. Taken to indicate values rather than nationalism.

5. Precision and professionalism. Extolling the technological innovation and competence of the airline.

hach the new design is based 80 per cent on the "precision and professionalism" platform and 20 per cent on "pride of origin."

The red speedwing, a thin red line which runs the length of the fuselage, was developed to encapsulate the hard-edged qualities of a laser line, says Barry Rawlinson, Lander's London studio manager. The speedwing, together with the new colours of blue and silver, constitutes the dominant graphic image used on all BA's activities.

It is also seen as a modern successor to the old BOAC speedbird, which has now completely disappeared. Barry Rawlinson says that the bird image was an outdated and passé piece of airline symbolism used to indicate that man could fly. However, it did not prevent a petition to save it being organised by BA staff.

The flag on the tail and the dark blue undercarriage were identified as "equities" and absorbed into the new design. "We are not in the business of change for change's sake," says Diefenbach. "We had to protect the franchise as well as establish change."

The flag has been modified into a more muted secondary design element and the crest was introduced to soften it further as a hallmark of "quality and grace."

The top of the aircraft was changed from white to pearl grey to get away from the "white fuselage syndrome" to separate it from the field and also to "soften the visual contours of the aircraft and convey quieter confidence." The original intention was to use silver paint but this was found to be technically impractical.

The word "Airways" has been reintroduced and picked out on the fuselage—in a typeface called Basilla—with an eye to privatisation. "British Airways" is thought to be a more commercial proposition. Lander estimates that about 75 per cent of the work was spent on aspects of the project other than the aircraft livery. All the seats have been remodelled and refurbished in the new colour scheme and much of the aircraft interior has been redesigned, down to the toilet seats.

The last piece of the design jigsaw will fall into place with the appearance of the new uniforms to be designed by British fashion designer Roland Klein, who was chosen from a shortlist including the Etonian designers of the Princess of Wales's wedding dress.

The Concorde—a different design proposition—will not appear until next April.

## Pride of origin

The image attributes tested were: British, reliable, professional, hi-tech, distinctive, modern, exciting and warm. The findings were analysed by Lander's research affiliate and they revealed that the final design scored better than the existing one on all image attributes except warm where the difference was so negligible as not to be statistically relevant.

The new design was refined as part of phase three and presented to the BA board on July 6 (the fourth implementation, then came into effect).

According to John Diefen-

"Of course I'm sure, I read it in Business Week International."

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# FINANCIAL TIMES SURVEY

Wednesday December 5 1984

**The FT Architecture at Work Award and commendations, announced today, are an indicator of rising standards in business architecture which is reflected in other fields. In this 150th anniversary year of the Royal Institute, the profession has been strongly criticised for not responding enough to what people want. But though controversial and ugly buildings are still going up, some of the leading practices are demonstrating design at its best.**

**By Colin Amery**  
Architecture Correspondent

**THE YEAR 1984** will be remembered, architecturally, as one in which the profession received a rude and largely unexpected awakening.

This year has been dedicated to the nationwide celebration of the Festival of Architecture—an event to mark the 150th anniversary of the Royal Institute of British Architects.

But it turned out to be the year that the public had its views reinforced by Prince Charles when he spoke at the RIBA's Gala Dinner, calling the proposed National Gallery extension "a monstrous carbuncle," and the projected Miles van der Rohe design for the City "another glass stump more suited to Chicago."

Prince Charles's criticisms were very much to the point and drew attention to the wholesale destruction of Georgian and Victorian housing in most of our cities. His complaint that architects and planners "ignore the feelings of the mass of ordinary people in this country" struck a powerful chord and he was highly critical of what has happened to London since the war, particularly to the City.

The speech very powerfully exposed the polarity of ideas between the profession and ordinary people who live and work in the buildings designed for them by architects. His plea was for more curves and arches—in short, for architecture which expresses feeling.

What the well-timed royal disapproval made plain was the

enormous gap between the architectural profession and the public, and this is still the issue for the future.

Perhaps crucially, the very role of the architect is changing. In the first place, architects have new freedom, with the lifting of professional restrictions previously in force. They can now advertise their services, solicit work, tender and act as developers.

Many practices are now run as limited liability companies with boards of directors, and it looks likely that many architects will become entrepreneurial managers rather than professional consultants, or, as they once were, artists.

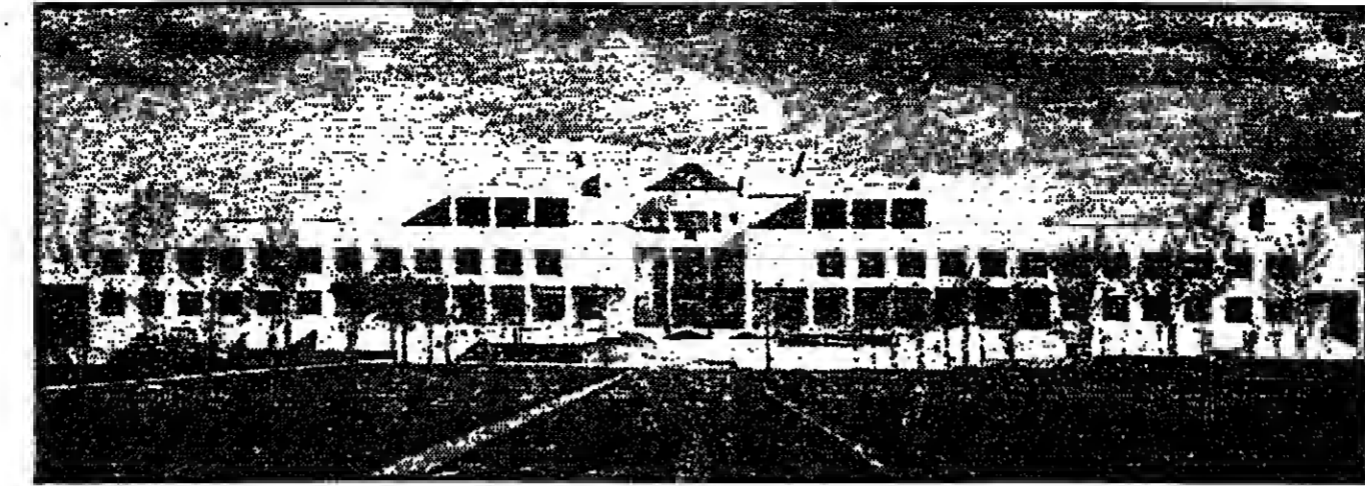
Yet, at the same time, the profession also faces competition from outside its ranks. Many of the architects' traditional functions are being carried out by quantity surveyors, chartered surveyors and project managers. On some larger projects the architect is no longer head of the design team.

### Blame

Too frequently, the failure of much of the contemporary environment is blamed by architects on others. It is the planners, the developers, the cost accountants, the politicians who are asked to take the blame. Recently, even the critics have been thought to be conspiring to stop the progress of modern architecture.

This year has shown that the public want the architects to accept responsibility and, in an atmosphere of dialogue with their clients, start to rehabilitate the built world.

There is only good and bad architecture. Critics—those who



# Architecture

write about architecture—should be looking for the best and presenting it to the world to encourage more.

Indeed, at this moment architecture in Britain could be about to see a renaissance. It will not come, however, from the older members of the RIBA; it will not be a continuation of the doctrinaire Modern Movement with all its political overtones.

Instead, the new architecture will be a responsive architecture. Respect for the past, a taste for colour and ornament have been seen by some architects as deviations from the modernist norm. Now those feelings are more acceptable.

Architecture is an art that must respond at all levels. It has to react to the artistic climate. Architects such as James Stirling (working on the extension to the Tate Gallery and designer of the superb Staatsgalerie in Stuttgart) have absorbed the eclectic range of influences that surround the visual arts and brought them into the art of building.

Jeremy Dixon, who is younger, has been one of the few designers to react to context, both visual and economic. He is under test at this moment

designing the large new extension to the Royal Opera House, Covent Garden.

There are architects, too, who respond to the need for a sense of continuity and are attempting to evolve the classical tradition. Quinlan Terry, for example, builds in a perfectly classical way.

It is, of course, important for architects to respond to the innovations of technology. Their job is to find ways of humanising and utilising technology so that it is the servant and not the master.

Architects like Richard Rogers (designer of the new Lloyds in the City) and Norman Foster (designer-designate of the new BBC Radio headquarters in London and the new Hong Kong Shanghai Bank in Hong Kong) face the challenge of highly-serviced technocratic buildings that could date easily and may be difficult to maintain.

Both these architects are brilliant innovators—they build technical experiments that test the architectural language to the full.

It is in our housing and cities that we want the designers to be at their most responsive.

Tower blocks are now being demolished, sometimes less than 30 years after they were hailed as a brave social experiment. The problem is not so much that they were towers—they were just not good enough. They had poor facilities for families, were meanly financed and poorly maintained.

The end of large scale public sector building programmes should be seen as an era of opportunity for architects. They have been freed to act in a far more adventurous and interventionist way.

Only an improved economic climate can assure that more money is put into the construction industry, but the architect can act now to convince the public that he is the right person to be leading the design team.

Many architects are already doing this by drawing attention to the neglect of our housing stock, showing more sensitivity in the commercial development of cities, and looking ahead to propose some futures that acknowledge the new spirit of an interest in high art as well as high technology.

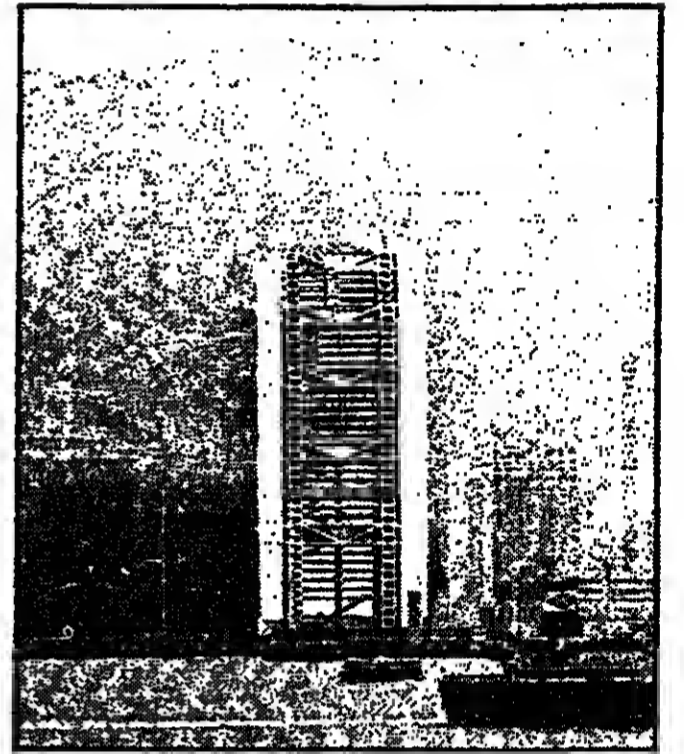
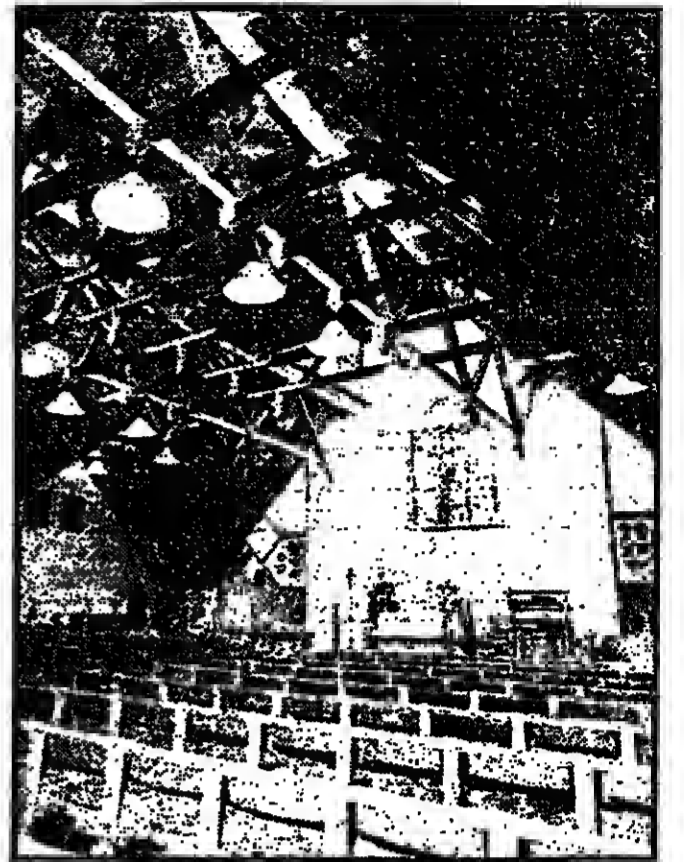
Prince Charles called for "a

new harmony between imagination and taste and in the relationship between architects and the people of this country." This can come about only through increased responsiveness among the professionals.

There is no doubt that architecture in 1984 has reached a climacteric but the ideas and talent are there. Freedom brings new responsibility and the new kind of managing professional has every chance to succeed.

The one vital thing that should not be overlooked is that people want better architecture—the climate is more encouraging than it has ever been. It is up to the profession to deliver it.

● Three very different examples of modern architecture. Top: new headquarters for the Insurance Farmer's Union Mutual Insurance Society at Stratford-upon-Avon (designed by Robert Matthew, Johnson-Marshall); Parish Church of St Mary, Barnes, West London, by Ted Cullinan; and (right) an impression of the Hong Kong and Shanghai Banking Corporation building under construction in Hong Kong (Foster Associates).



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## Design standards rise and reveal new talent

### Awards and industry

COLIN AMERY

TODAY'S announcement that Norman Foster is the 1984 winner of the Financial Times Architecture at Work Award, for the Renault Centre in Swindon, Wiltshire, marks an unusual achievement for him as an architect. He was spotted as a brilliant young designer when he won the first Industrial Architecture Award in 1967 in his then partnership with Richard Rogers—Team 4.

The success of the Renault building is an indication that the high design standards demanded by the Financial Times Award have continued since its inception. The inclusion in the 1984 list of commendations of the work of Evans and Shalev also continues the award's tradition of selecting younger firms who are designing their first building for industry.

The Financial Times instituted its Industrial Architecture Award in 1967, at the instigation of its then joint general manager, Mr Alan Hare, who felt there was a real need to encourage industrialists to erect better-quality buildings.

The industrial environment had not enjoyed the attention

that had been paid to the expanding New Towns, the burgeoning office block boom and the impressive public investment in educational and medical facilities. Private industry as well as public enterprises enjoyed a boom in the 1960s but this was not reflected in an immediate environmental improvement.

A comparison between British industrial estates and their equivalents in Scandinavia in the 1960s made it clear that Britain suffered from an excess of old plant and an ill-planned assortment of new buildings.

The award was introduced to promote the idea of producing better buildings in sympathy with their surroundings, and that an improved working environment meant better production and a happier work force. Its effects have been important. It has the advantage of being the only award that specifically concentrates on industrial (and now commercial) buildings and the only one that is awarded independently by a completely non-architectural body.

The objective of the Financial Times award has always been to encourage enlightened patronage of the best architects and designers—and the results over the years have shown an encouraging raising of design standards.

How does the award work?

The jury always consists of three people. Two of them are architects chosen with the help of the Royal Institute of British Architects and one is a layman—someone with wide-ranging business experience—who is appointed by the Financial Times. Together they examine the near 100 entries received each year.

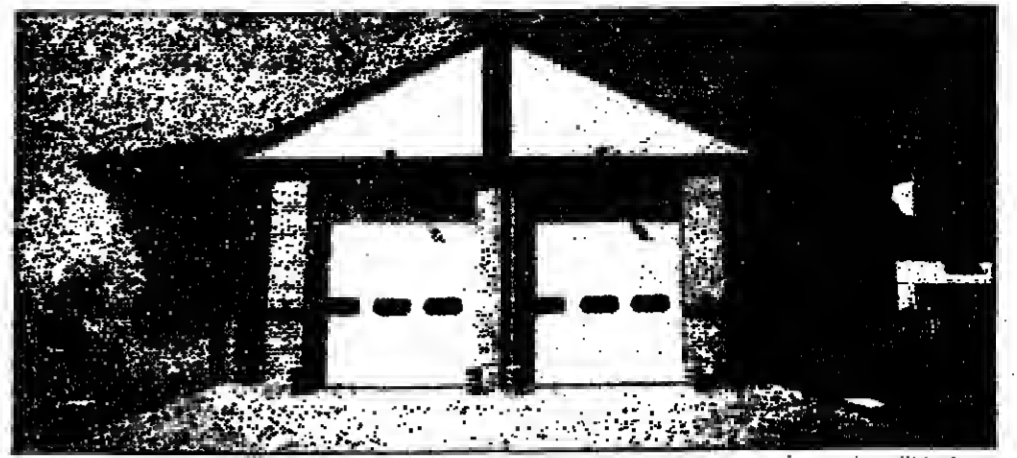
Until quite recently the award was restricted to industrial buildings. It was felt that with the changing nature of modern industry and the tremendous growth in the office working population that the scope should be broadened. Today the award is called simply Architecture at Work.

In the very first year of the jury's travels they selected as a winner a pioneering and influential factory designed by young architects. It was the Reliance Controls Factory in Swindon designed by Team 4. This was the name for architects Norman Foster, Wendy Foster and Richard Rogers.

The partnership that designed the very advanced, perhaps the first, high-tech factory in England later split up, but only so that Richard Rogers and Norman Foster should be able to go on independently, and both have become famous and influential designers. It was a prophetic choice.

Among the commended schemes in that first year, 1967, were the Chrysler Cummins factory in Darlington by James Cubitt and the Rotor Engineering factory in Bath by York, Rosenberg and Maddall. Both these companies have gone on to design further important industrial buildings that have maintained this very high standard.

The architects Ryder and



Industrial units at Old Woking, Surrey, by Scott, Brownrigg and Turner who are also consultants to the big Terminal 4 scheme at Heathrow Airport

Yates won in 1968 with a spectacular research building for the Gas Council in Killingworth. Again the jury had isolated a type of industrial/research building that was to be influential.

In the early years of the award there was always a mixture of public and private building. Power stations, pumping stations, telephone engineering establishments and buildings connected with the servicing of the growing network of motorways competed with a few outstanding examples of private patronage.

### Predict

It has to be said that in the 1970s computer companies and smaller research establishments predicted the coming of the microchip and the growth of smaller, cleaner industrial buildings.

An indication that agriculture had acquired industrial status came in 1971 when a beautifully designed complex of farm buildings at Lee Abbey in Devon won the award for the architects Scarlett, Burckett and Associates.

In 1972 Arup Associates' design for the early days of IBM at Havant in Hampshire marked

for the first time the importance of this company and these architects to the future of good design in industry. IBM have also figured many times in the lists of commended schemes and they do have an outstanding record of first-class new buildings in every country in which they operate.

North Sea gas and oil has provided scope for many new kinds of architecture; the gas terminal at Mablethorpe, Lincolnshire, by the Architects Design Partnership and the St. Fergus North Sea gas terminal in Aberdeenshire, by the Architects Design Group, were both singled out for the care that they had shown for their surroundings.

Breweries have a good design record and the Carlsberg brewery in Northampton by the Danish architect Knud Munk, and the cash department of the Greene King Brewery in Bury St. Edmunds, by Michael Hopkins, are both outstanding examples of good design applied to a mass production consumer industry.

In 1981, the only year that no award was given, the jury decided that though the general standard of entries was good none merited more than a com-

mandation. This result though is in itself a comment on the very high standard which the judges look for each year.

Last year, Arup Associates won the award for the third time with their office building for Wiggins Teape: Gateway House in Basingstoke.

Assessors thought that this office building around an internal atrium, which was designed on energy-saving principles was outstanding. It was the first office to win the award in the newly-expanded Architecture at Work framework and it justified the decision to extend the award.

In 1983 Richard Rogers's Iamos Microchip Plant in Wales showed the new technological future and was commended for its adventurous design.

The list of FT Award winners is a chart of the architectural progress that industry and commerce have made. Each year the total submission indicates a gradual raising of standards led by the few really outstanding practices.

The extension of the award since 1982 to cover a wider range of places where people work has extended this charting of new designs into new areas.

## GLC ARCHITECTS DEPARTMENT WORKING FOR LONDON

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Through Technical Books published in conjunction with The Architectural Press:  
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*The Design of Urban Space*  
*Preferred Dwelling Plans*  
*Good Practice Details*  
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*Handbook for Clerks of Works*  
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Through Technical Information available to local authorities including London boroughs and professionals throughout the building industry. Technical Information Group of Technical Policy Division.

Through quarterly Development and Materials Bulletins published as part of the Building Technical File. Materials information available to local authorities including London boroughs, housing associations, manufacturers, etc. Advice on testing of products, suitability of use, etc. Materials Information Group of Technical Policy Division.

Through information for specifiers contained in the Department's Preambles to Bills of Quantities. Updated quarterly and available to local authorities including London boroughs. Specification Group of Technical Policy Division.

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Through Building Control advice and information on such matters as Means of Escape, the Construction By-Laws, Codes of Practice, etc. are available from the Building Regulation Division, Middlesex House, 20 Vauxhall Bridge Road, London SW1V 2SB (Telephone (01) 633 3827/3914).

Through the expertise of Historic Buildings Division. Advice and information on all matters affecting listed buildings, their history and construction, availability of grants, archaeology, etc. GLC Historic Buildings Division, Chesham House, 30 Warwick Street, London W1R 6AB (Telephone (01) 734 8144 Ext. 5).

Through Publicity and Public Relations services. Information and research on the work of the GLC Architect's Department, sales of publications, availability of photographs and exhibition material, tours of projects for visitors, etc. Contact Principal Information Officer, Publicity and Information Unit, Department of Architecture and Civic Design, County Hall, London SE1 7PB (Telephone (01) 633 8867/2204).



### Past winners of the FT Award

1967	Reliance Controls Factory, Nottingham Team 4 Architects	1973	John Player Horizon Factory Nottingham Arup Associates	1979	St Fergus North Sea Gas Terminal, Aberdeenshire Architects Design Group
1968	Gas Council Engineering Research Station, Killingworth Ryder & Yates	1974	Modern Art Glass Company warehouse & office, Thamesmead Foster Associates	1980	Greene King & Sons Brewery, Cask Department, Bury St Edmunds
1969	Wallace Arnold Used Car Centre, Leeds Derek Walker and Partners	1975	Carlsberg Brewery, Nottingham Knud Munk	1981	No Award
1970	Chemical and Administration Building, Bradford Whitcliffe McFarlane	1976	PA Technology & Science Centre, Melbourne Piano and Rogers	1982	Expanded to become Architecture at Work Award
1971	Lee Abbey Farm, Lynton, North Devon Scarlett, Burckett & Associates	1977	Herman Miller furniture factory, Ferrell-Grienshaw Farrell-Grienshaw	1983	Joint Winners: Amersham International Radiochemical Centre, Cardiff Percy Thomas Partnership The Humber Bridge, Humberbridge Freemantle Fox and Partners
1972	IBM Plant, Havant Arup Associates	1978	Solid Wastes Rail Transfer Station, Brentford GLC Architects Department	1983	Gateway House, Basingstoke Arup Associates

## Lessons still to be learned

### Competitions

GILLIAN DARLEY

BRITAIN rediscovered architectural competitions as a way of improving design and attracting public attention only quite recently. In 1980, Michael Heseltine, as Environment Minister, initiated a move to use competitions more widely, using the example by promoting a number for government-owned sites and projects.

After all, the Houses of Parliament, the Chicago Tribune building and the Centre Pompidou in Paris, are all monuments in the public gaze which were the result of competitions.

The process is a useful one which allows for architectural discussion, both within the profession and outside and, in principle, gets the client the best available architecture.

There have been almost 100 open architectural competitions in Britain in the past few years and almost 50 national limited competitions, and also, of course, many small, regional ones too. Nevertheless, that is only about 10 per cent of the number held in West Germany.

Recently in this country, several notoriously mishandled competitions have thrown the system into disrepute. To prevent further occurrences and to reinstate competitions as a first-class, if quite complex, way of finding an architect for some important schemes, the RIBA has drawn up a revised and comprehensive handbook of regulations.

By setting out mandatory conditions (though as few as possible, in order to leave the essential flexibility which will produce architecture of distinction) and ensuring that an adviser works alongside the promoter throughout, some of the grey areas will be ruled out. Similarly, the promoters who entrants will be reassured that the conditions have been met.

One justifiable complaint has been that competitions are often won by entrants who have ignored the brief (which the losers abided by). Anonymity is a condition of RIBA-regulated competitions and the strong argument that all entries should be exhibited in public after the assessment has been made.

Competitions come in many forms, ranging from the ideas competition, run on a shoestring and with anonymous entrants, via various forms of project

competition (one or two-stage), to the architect/developer competition in which a financial commitment is a precondition. By having an ideas competition to deal with a site in broad concept followed by a project stage beyond, some architects see a way to getting a properly-conceived brief before detailed work begins.

Such a procedure might have avoided the imbroglio of the National Gallery extension competition, in which the unfortunate architects found themselves the butt of uncertainties on every side, but particularly from the Trustees as client. The architecture is bound to suffer under such circumstances.

The limited competition is suggested for particularly complex or specialist briefs; otherwise open entries will widen the field and enliven the quality. The assessors, appropriate specialists, are of course an important element, their balance and impartiality as crucial as their judgement.

### Criticism

Nevertheless, it is the promoter who makes or breaks the result and one criticism of competitions has been the frequency with which the promoter drops the project (the Parliament Offices, Westminster, for example), or quietly turns to another architect after the publicity has died away.

The rather cynical use of public participation is another way in which competitions have been mishandled in a number of recent cases. The important Vauxhall Bridge site, the Arunbridge competition, was a case on which a public exhibition was held but the results were not communicated, even to the architects.

Britain needs to run successful architectural competitions in the interests of quality. In marked contrast with the U.S., financial institutions—increasingly now the client—seem to have little concern with architectural quality, while in West Germany competitions are the standard way of making important architectural decisions.

The new gallery to house the Burrell Collection, Glasgow, is the triumphant product of a competition held in 1972. Interestingly, one of the characteristics of the winning entry was the unambiguous nature of the drawings—but the relationship between the building and its landscape were clear as was the approach to displaying the collection.

Crucially, the concept in Barry Gasson and his fellow

competitors' design had been established; the details could follow. Abroad, James Shirling's Stuttgart Art Gallery is another competition-winning success.

Although competitions are obviously suitable for important buildings, they suit problems of intricate or sensitive sites too. Recently, the Architects' Journal strongly criticised the LDDC over their Cherry Garden Pier competition, for not bothering to abide by its own brief. In the contentious case of Land Securities' development on the Grand Buildings site in Trafalgar Square, the brief will be agreed with Westminster City Council. In principle, that will smooth the way for first-stage entries.

It is a chancy business. The rewards are sometimes considerable in publicity if not financially. For small practices competitions are a great drain on resources, but offer opportunities too tempting to ignore. Whatever the costs, the incentive seems enough. The competition for an extension to the Oriental Museum in Durham, won by Trevor Horn (a full short of funds to build it), attracted 126 entries; that for the National Gallery extension, 79 architect-development teams.

A specially-devised four-stage open selection was the method chosen for the Phase 2 extension of the Covent Garden Opera House. It began with a lengthy list of possible architects, narrowed to six, then to four. In many ways the process was a search for an architect, rather than, at this stage, a design.

In the event the victors were a partnership between Jeremy Dixon (already rewarded in other competitions, including one run by Westminster City Council for housing on Lanark Road, Malda Vale) and Bill Jack of Building Design Partnership, a large, multi-disciplinary practice.

Properly handled, architectural competitions can confer status upon schemes. They can work regionally, with limited competitions such as that held by Bespak Industries for their King's Lynn factory (won by Cambridge Design) or nationally and internationally for buildings of importance.

The new Australian Parliament buildings in Canberra were designed by Romaldo Giurgola, an Italian-born American architect. In such cases it seems appropriate that the best architects in the world should compete on equal terms.

With proper guidelines, fully understood by all—architects, promoters, assessors—competitions may be one way of putting the spine back into architecture. But none of this will happen until many more clients learn the art of formulating a brief.

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Architecture 3

# Big mistakes and envied successes

## Housing

GILLIAN DARLEY

ALTHOUGH BLAME for unsatisfactory housing is always placed firmly at the feet of the architectural profession (with the odd sideways glance in the direction of planners) no other type of building is at the mercy of so many interests.

Hedging the architect around there are planners and product manufacturers, volume builders and developers, researchers and sociologists. Advice notes and Government shifts of policy rain down. New building stops—rehabilitation is the momentary enthusiasm; inner city sites are favoured—then sudden it is back to the Green Belt. Small wonder that architects are defensive about who is responsible for the failures.

### Memory

The return to the news of Roman Point, the East London tower block which partly collapsed in 1982 after a gas explosion—and provided an epitaph to the systems-built housing programme of the time—has served to remind the profession that public memory is long and the evidence of those errors is, tragically, all around.

The Newham estate of which Roman Point was but one block remains unloved, structurally faulty but still housing hundreds of families with little choice in the matter.

The demise of the tower block was brought about by a combination of social concern about conditions for people living in these buildings and worries about the block's structural safety, underlined by an increasing move away from the Modern Movement principles which had helped to influence their design.

The public housing programme continued through the early 1970s, but with low-rise

schemes (and rehabilitation) setting the pace. Now those architects' departments which remain are busy on the nightmare task of repair and rehabilitation of the problem estates, built in a different climate of opinion by, usually, a different generation. Responsibility for providing a much-curtailed supply of rented housing has shifted to the housing associations.

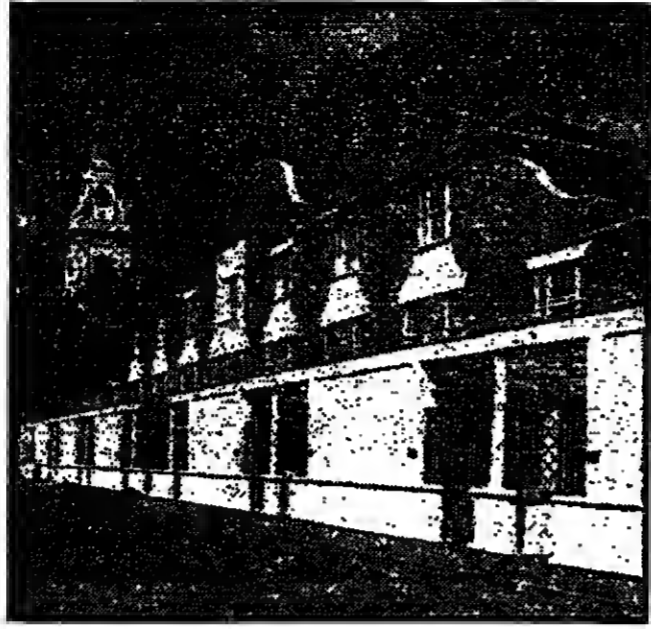
Yet, it is important to remember that housing design in Britain has long been envied elsewhere. The inventive use of conventional forms and traditional materials offered great flexibility in the detail, planning and landscaping were of sufficient quality.

The architectural partnership of Parker and Urwin, who built at Letchworth Garden City and elsewhere in the early 1900s, made this scale of housing their own, and in London the LCC (now GLC) cottage estates, Tottenham Fields, White Hart Lane, Old Oak among them, all built before 1914—earned Britain an international reputation.

European architects trooped to see the post-1925-45 war New Towns and Westminster Council's Lillington Estate, Pimlico, of the early 1960s.

The wind-down of the GLC's first-rate architects' department in recent years has been echoed in local authorities across the country. The GLC Odians Walk development in the midst of Covent Garden, providing flats and maisonettes as well as shops and amenities, ensures a local population as well as a visiting one, but this kind of scheme is a vanishing breed in the public sector.

The inclusion of residential accommodation in shopping schemes is sometimes a planning condition. The new Lanes scheme in Carlisle, for example, has 27 units for sale above its main shopping frontage. The vast scheme of empty premises over the shops in city centres



Sutton Square, Hackney, an entirely new garden square of 49 houses and 16 flats in East London designed for developers by Campbell, Zogolovitch, Wilkinson and Gough

would go a long way towards solving housing need—without encroachment on scarce land.

Several historic cities, such as Chester and York, have taken active steps to use this valuable space.

Central government wisely stopped playing the aggressive (and often misleading) housing numbers game more than 10 years ago. Its lessons etched indelibly on the memories of the authorities who already found themselves with problem estates to deal with.

Quiet successes, popular with tenants and easy to let, began to outnumber the notorious developments, such as Camden's unremitting concrete terrace at Alexandra Road, many times—and then the public housing programme was decimated. In 1974, it had accounted for 116,700 of a total 206,450 starts;

to have faults. Fast construction, now as before, is the name of the game, be it for political ends in the public sector, or by those who want to service an apparently, insatiable private market.

The problem in architectural terms is that private housing has all too often been left to the draughtsman, guided by the sales office, replicating the same dull formula on the same unimaginative ground plan. The intensification of the private sector has, at least, encouraged some ingenious solutions—though some might qualify as gimmicks.

Homeworld 81, the new homes exhibition at Milton Keynes, included plenty of bizarre solutions, but it also drew attention to energy conservation as a stimulus to interesting architecture, and to the need for a much greater mix of housing type on any single development. In the same way the growth in self-build and co-operative ventures has stimulated "mainstream" thinking—and with repercussions on design.

Special categories, such as housing for the elderly or for single people, although bound by a rigorous set of standards, has in the past few years sustained the thin trickle of good architecture still produced by local authorities.

In terms of potlery, arrangements such as shared ownership, for example, in the New Towns, allow architects' departments to continue designing housing.

The essentials are good use of modern space, and more flexibility. Often, where the public sector has gone, the private sector will follow. The English Courtyard Association schemes, by Skidell Gibson, are leasehold terraced cottages designed for the elderly and allowing for later changes as, for example, the need for a bed-sitter for a companion or nurse.

Similarly, bed-sitters and com-

munal facilities in buildings such as disused warehouses, such as the Thames Tunnel Mills at Rotherhithe (by Hunt Thompson, for London and Quadrant Housing Association) can provide ideal accommodation for single young people.

## Landscaping

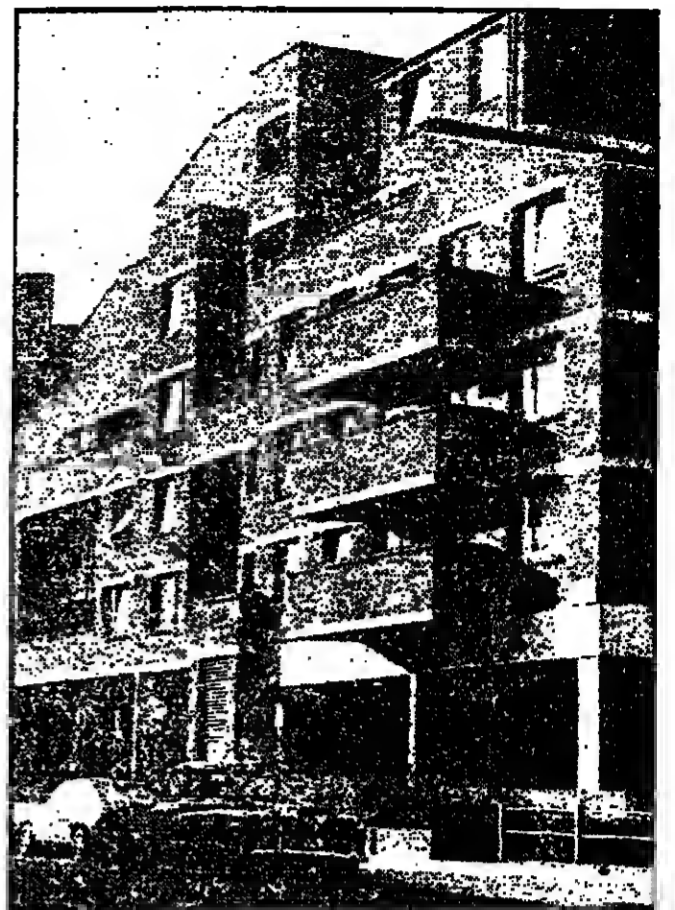
Eric Lyons's 1960s estates for Span at Blackheath, South London, with their simple detail, intelligent planning and sophisticated landscaping, still remain as examples of the way the best architectural solutions are arrived at. Yet the soulless executive housing scattered through the countryside in the same period were the other face of private housing.

The highest change in the private sector was the introduction of Design Guides—pioneered in Essex. These aimed to improve, by suggestion, what was termed the "lowest common denominator." Yet it, and the dozens that followed, became pattern books—formulae towards gaining an easy planning permission. They did raise standards but led up a blind alley.

It was the thoughtful design of the "second generation" local authority housing that helped to prompt the private sector to look to better architects, challenge some of its own assumptions, and begin to consider architectural quality as a selling point.

Pleasant town houses, scarcely distinguishable as public housing, or small developments carefully set in picturesque villages in areas such as Cumbria, became the pattern during the later 1970s. Predictably, in all but a few protected areas, the best of this was the first to sell with the introduction of council house sales.

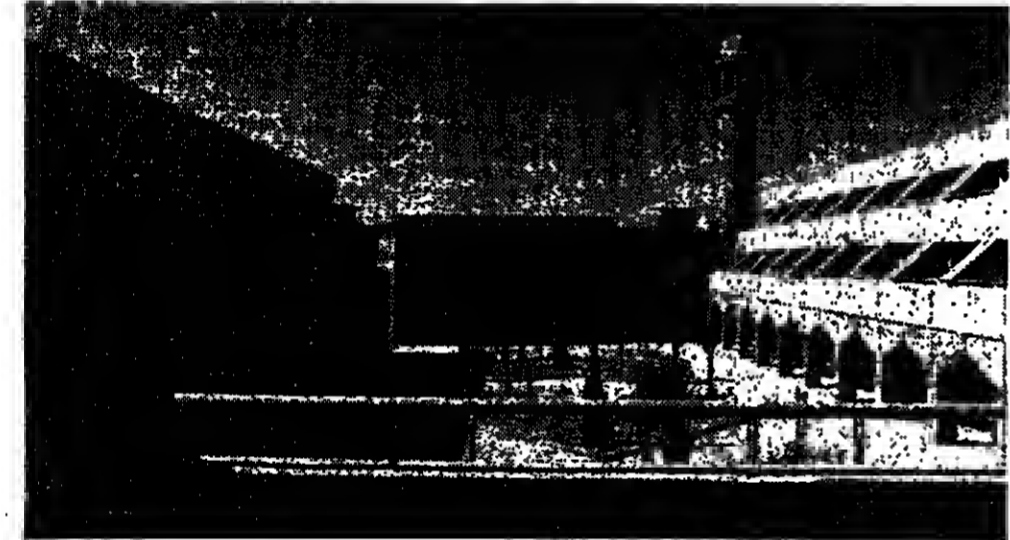
Milton Keynes, and other new and expanded towns have been, and are still, among the best showcases for good housing



Lillington Street Estate, Pimlico, designed by Darbourne and Darke for Westminster City Council in the early 1960s and still a striking and successful council homes scheme.

design (despite their share of unpopular or feebly-designed developments). Experienced practices such as MacCormack Jamieson and Richardson or Ralph Erskine (whose low-rise housing at Byker, in Newcastle, is public housing at its best) work in both the public and private sectors.

Elsewhere, architectural practices are learning to work with developers—where a developer can see the potential for architectural quality. In the surprising setting of the London Borough of Hackney, Campbell, Zogolovitch, Wilkinson & Gough are building Sutton Square for Kentish Homes and the arrangement (and sales) have been so satisfactory that there are plans for more. Rethinking an urban setting (it is a complete new garden square) has provided architectural interest and quality design. Yet, despite a few honourable exceptions, the private sector house builder has not proved much of a patron. While fitted kitchens are seen to have sales potential, good architecture has no quantifiable value in the opinion of the omniscient sales office of the volume builder. Nothing ventured, it would seem, nothing lost.



Wasia Village, a new village for water treatment workers that has recently been completed on a desert site east of Riyadh in Saudi Arabia. The designers, Yakobley Associates, have provided houses, a mosque, and community facilities in a concrete block system that has been adapted to suit the climatic conditions.

## Prestige projects build strong reputation

### Overseas work

MIRA BAR-HILLEL

UK ARCHITECTS do not just work overseas—they make their mark there and their fortunes. The Pompidou Centre in Paris (by Piano and Rogers) may be the most famous, but it is but one example. From a 35-storey office tower in New York's Park Avenue (Halpern Partnership) all the way to the conservation of a ruined monastery in Bangladesh (Donald W. Insall and Associates) it would appear that no job is too small or too big.

The Middle East remains a very important market for British architects, and their reputation has been maintained here since the days of Empire. In Saudi Arabia, Covell Matthews Partnership are completing construction of the new headquarters building they designed for the mineral resources directorate of the Medina Electric Company. The new headquarters of the Medina Electric Company is designed by Alex Gordon Partnership in association with a local practice.

A new palace in Saudi Arabia, complete with landscaped gardens, ornamental pools and garden pavilion, is being designed by Abbey and Hanson. Rows International, while Architects Co-Partnership have recently received the Queen's award for export achievement for work which includes five hospitals in Saudi Arabia, two in Trinidad and a teaching hospital in Iraq.

Another recent recipient of the Queen's award is YRM partnership. Among their recent commissions are residential buildings at the Gulf University, Bahrain, and the famous Sultan Qaboos contract in Oman, where main contractors are Cementation International. In Hong Kong, YRM's design for a Treasury building for the

Hong Kong and Shanghai Bank is under construction.

The new building which will house the Hong Kong and Shanghai Banking Corporation is also under way, designed by Foster Associates. It is a 180-metre skyscraper which combines latest technology with traditional Chinese architectural elements.

Other companies are also exploiting the Hong Kong potential. Sidney Kaye Firmin Partnership set up shop there over two years ago and have won three major jobs, including the \$35m redevelopment of the Jewish Recreation Club which, with its synagogue and 370 apartments, will be one of the largest projects of its kind in Asia.

Llewellyn-Davis Weeks are involved in the design and supervision of a \$90m hospital extension in two blocks of 30 and 12 stories, adding up to 700 new beds.

### Refurbish

Hospital specialists John R. Harris Architects are sharing their expertise with fresh enthusiasms not only in Hong Kong, where their design for the 1,500-bed Tsuen Mun hospital is out to tender, but also in Dubai, where they recently completed two hospitals. In Qatar, John R. Harris have been appointed to refurbish the Rumailah Hospital in Doha; they were responsible for the original award-winning design some 30 years ago.

In nearby Bahrain, Seymour Harris Partnership have completed the first phase of the Marina Club. In many Gulf states leisure projects are now being completed, and other more basic projects such as airports, hospitals and housing.

In Jeddah, Matthews Ryan Partnership are privileged to be involved in the remarkable zoological gardens project, where Phase I alone covers some 100 hectares. The zoo is to be divided into regions, with

the aim of reproducing conditions as near as possible to those in each region, along with both flora and fauna, with both individual exhibits and large open animal reserves.

Being in the Arabian desert, the zoo's first requirement is shade. The design concept is particularly interesting when compared with a similar, though much smaller, project at Kew Gardens. The visitors' centre will be spanned with translucent fabric; elsewhere the right effects will be achieved with the help of suitable planting.

Another Queen's Award for export was won this year by veteran practice Robert Matthew, Johnson-Marshall and Partners. They are also consultants for a unique project—a new complex for the Sabah Institute for Administration and Research, 5,000 feet up Mount Kinabalu in Malaysia, which should be completed this year.

In Jakarta, Clifford Culpin and Partners are providing a multi-disciplinary team of urban management advisers, working on the city's long-term development strategy. In the very competitive environment of the United States, British architects have held their own—even to the extent of submitting a proposal for the "Windows of France" project in the French quarter of New Orleans.

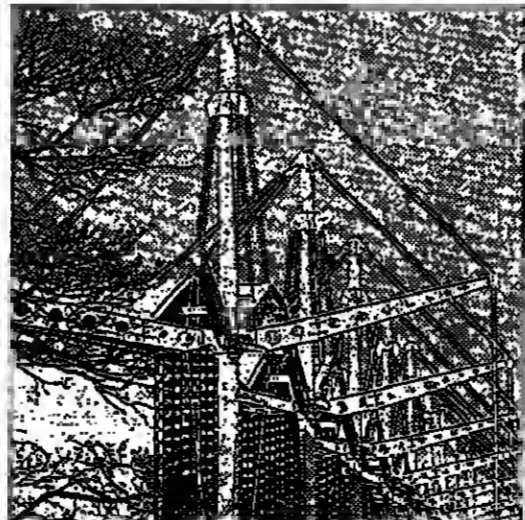
In the U.S., across the Bay from San Francisco in Oakland, Ian Fraser, John Roberts and Partners have completed the first stage of a major commercial project totalling over 400,000 sq ft.

Members of the Brewer Smith Brewer Group have completed a review of the Winnipeg Health Sciences Centre's development control plan. They are also active in that other English-speaking continent, Australia, in carrying out feasibility and cost studies for an Adelaide hospital and work for the South Australia Health Commission.



Foster Associates' Renault Parts Distribution Centre, Swindon—winner of the 1984 Financial Times "Architecture at Work" Award. Management Contractor: Bovis Construction Limited.

For the second year running, a Bovis Management Contract project has won the Financial Times 'Architecture at



Work' Award. The Renault Parts Distribution Centre at Swindon is a superb example of the new, sophisticated breed of hi-tech industrial buildings.

Bovis were required to commence work on site only three weeks after appointment—and despite adverse weather

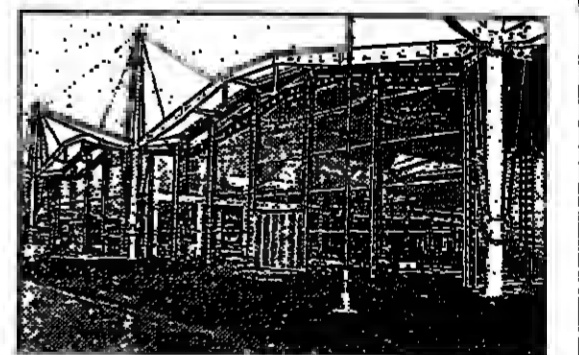
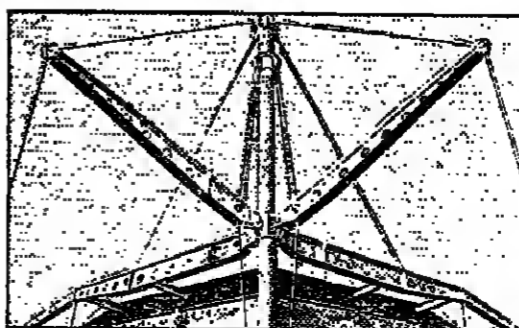
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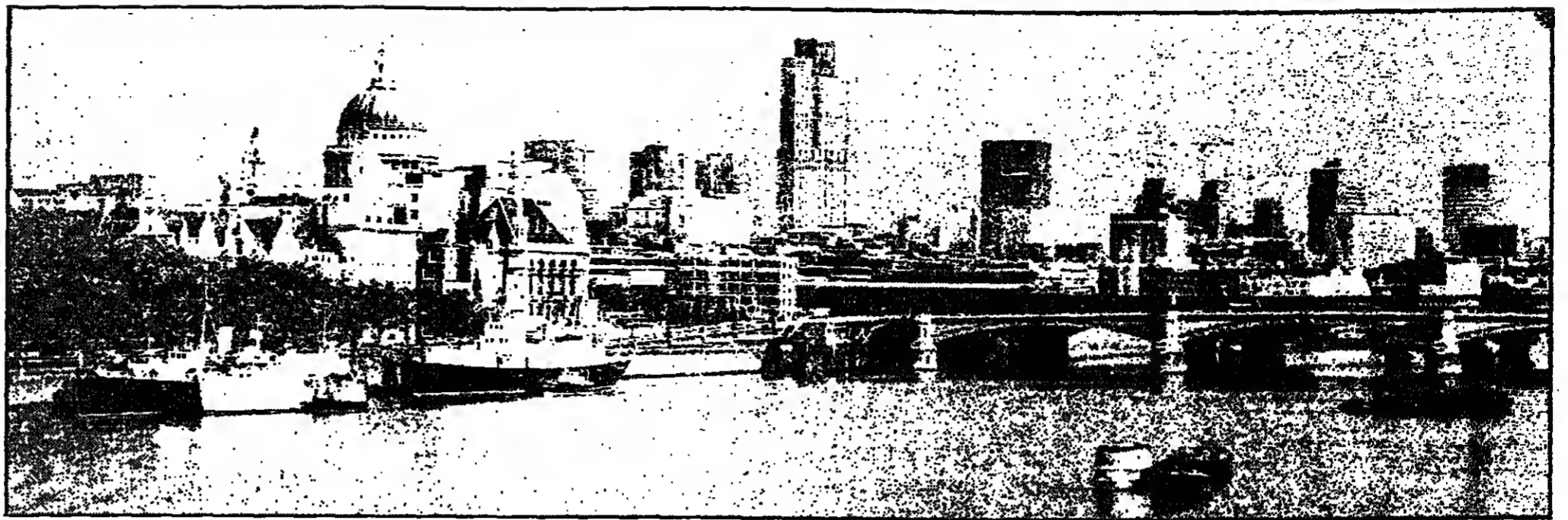
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**Plan seeks to bar comprehensive schemes**

**City of London**  
COLIN AMERY

MORE THAN 800 planning applications are received in the Guildhall of the City of London every year. This indicates two things: that the City is still an area of potential development and change, and that the whole process needs to be subject to a plan.

In fact, the City Corporation has just published its new Local Plan, a document and map that explains the policies likely to affect the shape of the City for the next 15 years. It is currently available for public discussion and there is a period for special interest groups to consult and be consulted, and in the usual course of events there will be a lengthy inquiry.

Preparation of a Plan is a statutory obligation laid upon local authorities under the Town and Country Planning Acts and Parliament has decided that local authorities should have the powers to formulate "proposals for the development and other use of land within the plan area, including measures for the improvement of the physical environment and the management of traffic."

**Flexible**

The City's new plan, one that is intended to be operative until the end of this century, adopts a flexible approach, it covers the area of the whole City except for the north-west corner around Smithfield, where another plan drawn up in 1981 will apply.

It is helpful to visualise the extent of the City's planning jurisdiction—that goes on in the Square Mile certainly has visual repercussions way beyond it. To the east the City extends almost to Spitalfields and to Tower Hill (although the Tower itself is outside); to the west, Holborn Bar and Temple Bar mark the boundaries.

Smithfield, the Barbican and Finsbury Circus are the northernmost extremities and halfway across the River Thames the line marks the limit to the south. Interestingly enough, the City owns the whole of London and Blackfriars bridges but only half of Southwark Bridge.

Every plan bears the stamp of the person behind it. Mr Edwin Chandler was responsible for so much of the post-war development of the City and now Mr Stuart Murphy, City architect and planner, is imposing a mildly conservationist stamp on the future.

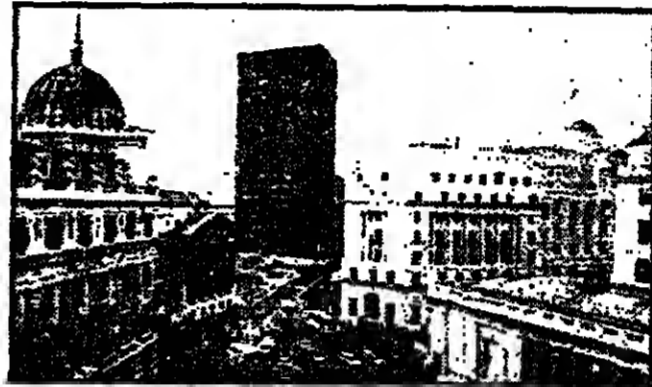
The whole of the very heart of the City from Guildhall in the west to the NatWest Tower in the east, from Cannon Street in the south to Finsbury Circus in the north is now shaded a pale blue on the draft proposals map—indicating that it is the largest of the City's 21 conservation areas.

It is important to remember that conservation area status need not mean no rebuilding or no new buildings but it does mean no comprehensive redevelopment.

This special status also means that the demolition of listed and unlisted buildings in these areas will be resisted. And there is an important new element introduced: no consent will be given to demolish a building in a conservation area until the detailed plans of its replacement have been approved.

There are some 450 listed secular buildings in the City and the Corporation has carried out a survey of all pre-1939 secular premises and is prepared to offer supplementary planning advice on their architectural quality.

Every plan is about conflicts and in the City these can be major. Although there is a conservationist bias in the plan—and not before time some may say—the planners are keen to point out that they intend to continue "to promote the de-



How the Mansion House Square scheme would look if it is built. Proposed by the developer, Mr Peter Palumbo, it comprises a piazza, underground shops and an office block designed by Mies van der Rohe, one of the 20th century's most influential architects. Objectors to the scheme say it is out of sympathy with the area and destroys the street plan.

velopment of the City as a leading international financial centre" while at the same time "enhance the environmental qualities of the City."

At present 68 per cent of the City floor-space is occupied by offices and however the advent of new technology affects business, it is expected that there will be for some years a demand for the kind of offices that they have to be near the markets—where it is expected that face-to-face trading will continue.

However, the likelihood of electronic stock and futures markets is far from being impossible and this plan maintains a decent vagueness about the long-term technological future.

The plan does predict a general decline in the overall floorspace requirements needed by firms as the new technology develops and suggests that office layouts are going to differ radically from the present variety.

In line with this feeling, the plan is firmly against any more comprehensive redevelopments that may affect the street pattern and will oppose the

as newspaper printing moves out of the City.

This particular Local Plan does lay considerable stress on the environmental qualities of the City. Without spelling out exactly how it hopes to achieve them it clamours for higher architectural standards. Research and public consultations over the past years have shown that this is the area where there is the most public dissatisfaction.

It is hoped that the spread of the mediocre office slab is over and that there will be a raising of design standards, particularly in the smaller new buildings. There should be no doubt that public concern about the quality of new buildings is shared by the officials at Guildhall but it is a thing that is impossible to legislate about.

Public concern has also been expressed about the protection of famous views in the City. There are elaborate controls to protect the views of St Pauls both within the City and from the river. However, it will need some selective demolition of post-war monstrosities to enhance the view of Wren's masterpiece. Views from the Monument are also to be protected both to the east and west of the viewing gallery.

There is an acknowledgment in the plan that the office sector will always need services to accompany it, and these are often important areas of subsidiary employment. Areas for small businesses, that is premises that are 1,000 square metres or less, will need protection in the future and the plan intends to encourage this.

There is also a need to encourage the continuation of areas of industry and wholesaling and four areas are singled out for these activities. East of Bishopsgate and Houndsditch, west of Queen Street (known as the fur trade area), the Fleet Street area and the south west of St Paul's are the four zones for this mixture of uses. The Fleet Street district is to be the subject of a special study

less muddy stretches of river bank. Simply more seats and open spaces are not enough.

As the plan says, the shortage of land has always been the problem for the provision of space for recreation—on the whole the City's record is generous in this respect. The recommendation of more easily shared facilities in private developments is a good one.

Traffic planning, particularly the visually barbarous but effective widening of Upper and Lower Thames Streets, has saved the City from the worst effects of chronic congestion, but there are some road widening schemes like the slice off Gracechurch Street by Leadenhall Market and the broadening of Newgate Street that look potentially damaging.

**Specialist**

Is it possible to detect the forms of the City of the year 2000 from the policies and outlines of this plan?

Applications of plot ratio and general limitations of large-scale redevelopment suggests that the future of the City should be seen as a series of more specialist developments, smaller in scale than those of the recent past and probably (no guarantee) better designed.

Special policies for areas like the Temples and the fur trade area are usually designed to protect the special activities of those areas. Although the City would like to encourage residential use of the Temples, at the same time it recognises the need for "professional accommodation," ie more offices. Low-scale buildings to the South West of St Paul's will keep the last network of narrow streets and alleys as an island within the larger roads.

It is the eyesores of the 1850s and 1960s that will need to be demolished or re-ramped—many of them are inadequately finished or serviced—and there is not much mention of them in the plan.

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**Presidential contenders strike new note**

**The RIBA**  
MIRA BAR-HILLEL

MANY ARCHITECTS still shudder in the memory of Prince Charles' critical remarks, and the RIBA will soon be trying to live down the implications. In 10 days' time the ballots close for the election of a successor to Michael Manser, the current RIBA president, at the end of his two-year term.

Throughout the campaign the two contenders, Larry Rolland and Peter Jones, have strongly dissociated themselves from (although not, in the gentlemanly architectural tradition, in so many words) from his extremely laid back style of leadership.

In fairness to the incumbent, he was always a reluctant one. His theory was that if he could demonstrate that the RIBA presidency could be a one-day-a-week proposition, Britain's top practitioners, who cannot possibly take two years off at the height of their careers, might be tempted to consider the job.

Unfortunately, he has demonstrated the opposite. And the man who takes over will find himself facing a demoralised institution—and a profession in confusion.

**Training**

The latest survey of architects' employment and earnings confirmed that, compared with most other professions, they are not well paid. Median earnings for private sector employers this year were £15,000 while their employees could expect to earn only about £10,000. Public sector salaries were found to be in the £12,500-£14,500 range. Considering the length of training required to register as an architect, the figures must be disappointing. But these findings cannot be



Larry Rolland (left) and Peter Jones. Both candidates for the institute's presidency believe the profession has a major job to re-establish its credibility.

seen in isolation from the broader picture: earnings are low because there are too many architects and not enough work. To make matters worse, more work is being lost to the profession as its leadership is increasingly challenged and clients explore alternative contracting methods which virtually exclude the architect once the drawing stage is over—in favour of specialist project managers and the promise of tighter cost control.

These twin issues, the size of the profession and the threat to its traditional role, were noted mainly for their absence from any serious debate by the RIBA. Although it has the dominant role in architectural education and a very large proportion of

members' annual subscriptions (which will rise to £101 next year) are spent in this field—the institute has chosen to "take a back seat while an advisory committee under Lord Esher considered that the number of architects should be stabilised to 31,000 by the end of the decade. This would be done by reducing the number of students qualifying annually from the 38 recognised schools of architecture by 300. About 900 students now qualify each year.

The Esher recommendations were approved by the RIBA's governing council last month, but the institute will have to demonstrate uncharacteristic firmness over implementing them. Already interested parties are mounting anti-Esher campaigns.

The growing threat from project management is also being ignored at the profession's peril. When Owen Luder became president some four years ago, he inquired whether there was anything on the subject in the seven-year architectural training syllabus, to be told there was not.

He suggested something should be done but towards the end of his term the same question yielded the same answer. Two years on the answer is still the same.

Moreover, recent attempts to deal with it are not encouraged by Michael Manser's tendency to simply write off other professional jobs as moving into the field. Yet design/build and all its permutations are a strong growth area, at the architects' expense.

What of the new candidates? Larry Rolland, the man chosen by the RIBA Council, is a principal in private practice from Edinburgh, former president of the Scottish RIBA and active within the institute for several years. Rolland is a classic home-grown candidate.

Peter Jones, on the other hand, is chief architect of the threatened Greater London Council and a virtual outsider to the RIBA. Although in some ways the two could not be more

different (private vs public sector, insider vs outside reformer, establishment vs radical), it is interesting that their views on specific topics are very similar, although Jones, with less to lose, feels able to state them more strongly than Rolland who feels he needs to humour the voters.

Essentially, both men agree that the profession, through its institute, has a major job in re-establishing its credibility on three fronts: with Government, where policy decisions on the built environment are taken; with the public, who are the profession's clients as well as critics; and with its own membership, especially small provincial practices where the often sole practitioners are having a very hard time indeed.

**Credibility**

The two candidates differ on detail and personality and more fundamentally in their approach, but what they have in common outweighs the differences. It is to be hoped that whoever wins will seek the active support of the other in achieving the common goals. With this prospect, the battered RIBA may look forward to a period of recuperation over the next two years, vital if it is to survive future challenges.

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THE ARTS

Television/Christopher Dunkley

Drama becomes fantastic again

All television drama directors should be stripped to their underwear and pushed onto the floor of the BBC's huge Studio 6 at the London Television Centre. The public should then be invited to file across the lighting grid above and pick the directors with volume control knobs. This should continue until every director agrees to sign an affidavit swearing that he or she will never again record music and effects tracks so loud as to drown dialogue.



Robert Stephens, Virginia McKenna and Judith Howarth in 'Puccini'

play takes the 'Romeo and Juliet' theme as transposed in 'West Side Story', switches the setting to London, and re-institutes Shakespeare's rhythms and even some of his vocabulary to produce an extraordinary combination of rock and roll and iambic pentameters as in 'Divest yourselves of this smothered gear and imitate the clobber of the mob, or Say what your message is and blow your message in the under-world.'

at us but to explore his characters, especially Spanky. Played by Tom Davidson this was an intricate and fascinating portrait of a gambler, unique in my experience in showing not an old failure who cannot stop betting horses, but a young success who does stop, much to the fury of his uncomprehending friend.

Cinema/Nigel Andrews

Facts and fictions of film

Learning To Dream: The New British Cinema by James Park (Faber and Faber, £3.25, 133 pages) Vivien Leigh by John Russell Taylor (Eim Tree, £9.95, 124 pages) Katharine Hepburn by Sheridan Morley (Pavilion, £12.95, 173 pages) Jacques Tati: Frame By Frame by James Harding (Secker and Warburg, £12.95, 196 pages)

astounding Hepburn trajectory from Oscar-winning ingenue (Morning Glory, 1933) to Oscar-winning grande dame (On Golden Pond, 1981), is brightly told, and sprinkled with VIP quotes (Cukor, Tracy, Benchley, O'Toole and Co.)



Katharine Hepburn and Vivien Leigh

The Human Voice/Latchmere

Martin Hoyle has just left her. Determinedly brave, she tries not to overload the parting with emotion—"I swore I was going to let you go quietly"—but reveals the boyish husk to the voice—all balance the vulnerable with the sensual and ring more variations than I would have thought possible from the simple basic theme.

speaks her Scottish upbringing. Her mouth generous, teeth formidable in the odd face-splitting grin, drowsy blue eyes slightly strabismic in intensity, the boyish husk to the voice—all balance the vulnerable with the sensual and ring more variations than I would have thought possible from the simple basic theme.

The lighting in Simone Benmassa's production comes and goes for no apparent reason. I realised that the play is a good 20 minutes longer than Poulenc's operatic version. And that, God knows, is long enough.

The Vortex/Theatre Royal, Brighton

Michael Coveney throws a box of cocaine out of the window. "I've grown up all wrong," Nicky whines, proceeding to lament his mother's adulterous roteness and his own depravity: "We swirl around in a vortex of beastliness."

Oslo Philharmonic/Barbican Hall

Dominic Gill Since its foundation in 1919 until the arrival of Mariss Jansons as its chief conductor four years ago, the Oslo Philharmonic Orchestra had been content to remain an unambitious and mainly domestic band that ventured abroad comparatively rarely.

Arts Guide

Theatre

TOKYO Takarazuka All-girl Revue Takarazuka Theatre. An original production of My Love for Beyond the Mountains; it is the counterpart of Kabuki. Spectacular, simple plot, English synopsis, Exits Nov 28, (911171).

school hymn. Spiffing if you're that sort of mood. (437 1582).
Knees Off (Suez): The feminist play for years in London, now with an improved third act. Michael Blake's brilliant direction of backstage shenanigans on tour with three farces is a key factor. (830 9888).

Peacock, Stephen Moore and Zoe Wanamaker. (020 8759).
Peaches (Old Vic): Glenda Jackson remarkable as the nearly incestuous tragic queen in a thrilling production by Philip Prowse. Costume of shot silk and tulle, and Robert David MacDonald's translation bravely takes on the challenge of Racine's untranslatable Alexandrines. Gerard Murphy, Tim Woodward and Georgia Hale in a strong cast. (220 7818).

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Wednesday December 5 1984

# A new start for Grenada

FOR THE people of Grenada, ten years of painful history are at an end. First there was the rule of Sir Eric Gairy and the "mongoose gang." Then the late Maurice Bishop and his Marxist New Jewel Movement. Then Mr Bishop's assassination and the American invasion. The landslide victory in this week's election of Mr Herbert Blaize's New National Party, underlined by the eclipse of the Bishops, means that Grenada can at last begin to think about the future. That future can not be bright. The completion of the new airport, ironically built by the Cubans under the Bishop regime, means that Grenada can count on attracting major hotel investors and so greatly increase its revenue from tourism. At the same time the goodwill Grenadians won in the U.S. by welcoming their American invaders as deliverers augurs well for American investment in take manufacturing sector, to take advantage of the opportunities afforded by the Caribbean Basin Initiative to export duty-free to the U.S. market.

What now looks like a happy resolution of the Grenada affair also provides an opportunity for the mini-states of the Eastern Caribbean to get together and make more progress in assuring their own security. The U.S. is urging them to acquire enhanced capabilities in terms of both coast-guard vessels and of highly trained public security units. Britain ought to offer any help it can give; it is absurd to be hurt that Caribbean Governments do not take the Communist line. But seriously if the British Government is not willing to do what it can to help its friends in the region.

### Templation

Just because the Grenada story does seem to have had a happy ending, the temptation in Washington may be to take it as evidence that the U.S. did the right thing in the right way. Only last week, in a thoughtful speech, U.S. Defence Secretary Casper Weinberger did just that. He cited six tests for the use of military force abroad, and suggested that the Grenada operation had met them all. A myth may be in the making here. Most Grenadians and indeed others in the Eastern

Caribbean, may be grateful that the U.S. overthrew the gang which had killed Maurice Bishop and that democracy has been restored. Yet the reasons put forward for the American action were unconvincing and the level of force was excessive. Grenada may have reassured those who were afraid that the U.S. was losing the resolution to act on behalf of its allies; it has given new evidence to those who suspect that the Pentagon carries an elephant rifle with a hair-trigger. Now that the Grenada situation looks like being resolved, everyone concerned with the Caribbean region can move on to the next item on the agenda. There are two countries, one at each end of the long arc of the English-speaking Caribbean, whose deep economic troubles create the potential for political instability, and whose far greater size would, in any event of political crisis, present Washington with a dilemma that could not be so easily solved by reference to the Weinberger ready reckoner.

The economic plight of Jamaica and Guyana has its origins in the same cause: the collapse in the price of sugar and bauxite. There the similarity ends. In Jamaica, the Seaga government, though struggling with inflation and perhaps laying too much of a burden on those who can least afford it, is firmly committed to democracy. In Guyana, however, Dr Forbes Burnham, installed in power in the first place with Washington's blessing as the lesser of two evils compared to Dr Cheddi Jagan, now appears to be flirting with a dangerous alternative.

Dr Burnham himself has recently visited China, Bulgaria and Cuba. More sinister, advisers from various socialist countries, including North Korea, have now appeared in Guyana. The danger is not only that the Communist powers may try to acquire a foothold in the Eastern Caribbean to replace Grenada, but that Washington before it is too late will be forced to intervene. It would be wise to give Dr Burnham the economic assistance Guyana desperately needs from the West before he turns his back on turning to his new friends.

# Incentives for youth training

SHOULD THE British Government continue to pay large numbers of youngsters to do nothing? Lord Young, Mrs Thatcher's newly appointed Minister without Portfolio and former chair of the Manpower Services Commission (MSC), speaking last night to the Building Employers' Federation, argued that "... if we can offer good training ... or a job ... why offer anything else?" In putting the case for the abolition of supplementary benefit for 16- and 17-year-olds and a corresponding expansion of training schemes, Lord Young drew support from a previous Minister without Portfolio, Lord Beveridge, who said in 1949 "... for boys and girls there should ideally be no unconditional benefit at all; their enforced absence should be an occasion for further training."

The withdrawal of unconditional benefit for 16- and 17-year-olds is a radical suggestion. But the scale of Britain's youth unemployment problem is such that radical solutions must be sought. Britain is unique in the way such a large proportion of young people are sent into the labour market. There are about 1.8m 16- and 17-year-olds, only 700,000 of whom are in education. Of the remaining 1.1m, some 300,000 are covered by the Youth Training Scheme (YTS), the one-year vocational training programme which Lord Young helped set up while at the MSC. A further 250,000 youngsters are unemployed and on supplementary benefit. The remaining 350,000 or so have jobs, some under the aegis of the Young Workers' Scheme (now restricted to 17-year-olds) which subsidises employers who offer the young low-paid jobs.

### Distinction

When YTS was unveiled two years ago, there were suggestions—notably from Mr Norman Tebbit, then Employment Secretary—that youngsters who refused places should forfeit supplementary benefit. And the notion of extending YTS to a new two-year super training scheme, perhaps absorbing the YWS, has been aired by a House of Lords committee. New ideas for reducing youth unemployment are badly needed, but it is doubtful whether Lord Young's suggestion can provide the basis for action. Under existing rules, the offer of a YTS place to a young-

ster is treated in the same way as the offer of a job to an unemployed adult: if the offer is refused without good reason, there is a temporary loss of supplementary benefit. It is not clear that a sharp distinction in future should be drawn between those under 18 and those over 18. At present, benefit for youngsters is only £16 a week—hardly, as Lord Young admits, a king's ransom. The suggestion that this long-stop should be removed has anti-libertarian implications. As the history of schemes enter training schemes because they expect to gain from them than because they have no alternative.

The signs are that coercion would in any case be unnecessary. The MSC no longer sees recruitment as a problem and does not want its schemes made compulsory. Early indications are that less than 30 per cent of graduates of last year's YTS programmes went back on to the dole queue; some went into further training programmes and about 50-60 per cent into permanent employment. The MSC expects to all, without much difficulty, most of the 400,000 places it is offering in 1984/85. Mr Tom King, the Employment Secretary, was also talking about training yesterday. He praised the YTS as a "major route into jobs for school leavers" and stressed the need to concentrate in the quality of training it offers; he did not discuss the possibility of its transformation into a two-year super scheme. YTS was designed to provide youngsters with broad-based transferable skills: it is arguable that a year is the maximum time which should be devoted to this. Young people would benefit from more training but probably only if it was skill specific as in countries such as West Germany. Skill-specific training has slumped during the recession. Schemes such as the YTS can never substitute for effective specific training through apprenticeships which must primarily be the responsibility of industry. But while the MSC seeks to get this message across, government programmes are helping by pushing down the overall level of youth wages. Bigger differentials between youth and adult pay should provide greater incentives for employers to offer skilled training opportunities and for young people to take them up.

## BRITISH MINERS' STRIKE

# No compromise, no surrender

By John Lloyd, Industrial Editor

JACK COLLINS swung it. The craggy, grizzled class warrior from the little Kent coalfield thought the miners' executive was getting too soft by recommending that its money held abroad could be brought back into this country—it seemed like a compromise with the capitalist courts—so he proposed an amendment which negated that move, and it got carried on a 139,000 to 80,000 vote. By voting in that way the union has passed up what may have been its last chance to drag the nine-month-old dispute back inside the limits of the law: the miners are now even more closely committed to total class war.

The executive misread the mood of the meeting," Mr Collins said afterwards. "We had to send a clear message to the lads on the picket lines that there is no compromise, no surrender."

Mr Collins is as hard line a Communist hardliner as you could meet. He is enthusiastically pro-Soviet; told his Kent miners at a recent rally that he was all for taking money from the "Libyan working class" and sees the class struggle manifest in every area of life. That he should win a 3:2 majority of the 123 delegates at the miners' special delegate meeting on Monday shows two things.

First, whatever the 34-man executive of the National Union of Mineworkers decides, it is underpinned—or imprisoned—by a delegate conference which has been given the constitutional authority to make the major decisions on the dispute, and which exists in the same relationship to the NUM leadership as the Bolshevik-dominated workers' Soviets did to the Russian revolutionary leaders in Russia—the more daring the strategy, the more likely it is to be followed. There is no sign that Arthur Scargill, the NUM President, is dismayed by this—quite the reverse—but even if he were he could do little about it.

Mr Bill Elsherington, secretary of the District Mechanics—a group once a byword for ultra-moderation—voted against the Kent resolution but is not worried that it passed. "There was very little difference between the two camps when you came down to it. We didn't want to see the money left abroad and not used up in legal battles to get it back. But none of us were going to obey the courts."

Mr Scargill's assumption that struggle radicalises has been proved correct at least some of his members—including many officials. They are seen by others as defying the laws of the land, but are seen by themselves as the victims of them because they are fighting to save jobs. As the struggle has become prolonged, striking miners and their communities have increasingly retreated into their own world and own world view—one explanation, if not an excuse, for much of the violent behaviour.

Second, however, the fact that there was a vote shows that the



Arthur Scargill: the long and increasingly lonely road of revolt

ultra-radical majority among those present was counterpointed by a minority which is merely radical. The 80,000 vote minority supported an executive recommendation—backed by an 11:6 vote—to repatriate the funds held abroad. Their hope was that the sequestrators might help themselves to the £200,000 contempt fine and costs, and that the High Court would then lift the receivership to allow them to get on with the strike in peace. It was a minimal accommodation with the reality of the courts.

The Government may find some hope in this hairline fracture but there is no guarantee it will widen. One lesson, among many others, which this past nine months has taught, is that a sudden collapse of the NUM at any level is simply not on the cards—especially when, in their terms, they are far from beaten.

The Government is not, however, excessively troubled either way. Ministers, following the National Coal Board, are sure that the drift back to work, now slowed to a trickle again, will pick up after Christmas. They are certain of fuel supplies and pretty confident the power unions will not now disrupt them. The body now being mercilessly ground between the upper millstone of the NUM's determination to fight a class war on an industrial picket line and the lower millstone of the Government's refusal to give in, is the TUC.

The TUC deeply detests class wars. Its senior members' reflexes were formed out of deals and compromises, mostly done in times much easier for the unions than now. To be pulled into a struggle unambiguously defined in class terms, and further garbled with the description given it by the delegate conference resolution that it is "the most vicious threat in history to the freedom and independence of British trade

unionism," is pure agony. None is feeling that more acutely than Mr Norman Willis, whose baptism as TUC general secretary has been a prolonged immersion in a tank full of burning petrol. The seven TUC leaders charged with liaising with the NUM met in solemn conclave yesterday and meet the miners' leaders tomorrow or Friday. The scene they surveyed was wholly dismal. No extrapolation of the present into the future looks good, or can be made to look good.

### The law has the union in a tight embrace, and it is getting tighter

The national officials now cannot—in the strict terms of last Friday's judgment—run their own affairs, to the extent of making a telephone call or buying petrol, without the permission of Mr Herbert Brewer, the receiver. This is potentially mortal; Mr Scargill helped pioneer "flying pickets" which were based on the increased ownership by miners—as other workers—of cars and telephones: to lose control over these is striking at the heart.

You can give the appearance of not caring. How will you manage without funds, Mr Scargill? called a radio reporter as the NUM President left the TUC on Monday night. "Like the Tolpuddle Martyrs," said the best one-liner in the Labour movement. "With difficulty but with success."

The Tolpuddle Martyrs certainly had difficulty manag-

ing, but they had little success: the union which they attempted to join, the Grand National Consolidated, collapsed in ruins: it was the cautious, careful men of the craft unions, whose descendants think Mr Scargill is as daft as their forefathers thought the Chartists were, who put the unions on a secure footing. Mr Scargill, whose hero is A. J. Cook, the man who led the miners to shattering defeat in 1924, has a habit of picking losers as models.

### More cooking?

Are there no limits to Japanese enterprise? A Japanese chef, Hiroshi Horita, of the Toyoken restaurant in Tokyo, has won one of France's leading gastronomic competitions, the Pierre Taittinger international culinary prize.

More than 215 entrants from 10 nations contested the early rounds, and Horita, aged 38, came through to win the final cook-off against 11 other chefs from France, Switzerland, Germany, Italy, the Netherlands and Jersey.

French master chef Lucien Ogier headed a jury which pronounced Horita's "Turban de Honard"—a dish of lobster mousse seasoned with mushrooms, fish sauce, cognac and sherry—the tastiest.

### Mine host

"If only ..." was the obvious thought in most minds at the Coal Traders' Benevolent Association dinner on Monday when former NUM president Lord Gormley turned up on his first social outing since his stroke a year ago.

Gormley sat near NCB chairman Ian MacGregor, and both had drinks in the private bar before dinner.

### Supply lines

The fighting between the supply-siders and the deficit-cutters in Washington is getting nasty to judge by the latest good-news-bad-news joke circulating there. It seems that a bus-load of supply-siders on a pilgrimage to Chicago drove over a cliff. That was the good news. The bad news was that there were four empty seats.

### Oil strike

Mobil Oil, the third biggest U.S. industrial company, has a thumper idea and most when it comes to criticism. But its latest action in boycotting the Wall Street Journal has raised some eyebrows.

Mobil executives will continue to read the WSJ but that is all. "Mobil has adopted a policy of not having anything to do with the WSJ," says John Flint, Mobil's spokesman, and has stopped advertising, and is refusing to answer questions from the newspaper and provide it with data.

Mobil has had rows with the U.S. media before but this appears to be the first time it has stopped talking to the enemy.

Flint refuses to explain why Mobil is so piqued. All he will say is that it "comes about

of the white collar engineering union AUEW-Tas," said yesterday that "when laws are quite unacceptable to large numbers of people they no longer function" and warned his TUC colleagues that they must support the miners—these people in the TUC who think there is some other way out have to face it, that these miners will continue their strike."

Mr Gill is playing his familiar and skilled role of staking out the TUC left's position. Others, though, are not likely to follow: Tony Christopher of the Inland Revenue Staff said the TUC should give support "within the law, while Bill Whitley of the Shopworkers thought the NUM delegates decision had lost them more friends in the movement than it had made.

The industrial support which TUC leaders solemnly pledged back in September during Congress has simply not been forthcoming. The power stations were the key sector, and they blaze away merrily; nor are they likely to stop. Record quantities of oil—1m tonnes of coal equivalent a week, currently—and large quantities of coal—over 700,000 tonnes—are now moving into power stations, and is not meeting much opposition.

Les Atkinson once sat on the NUM executive, representing the 1,000 members of the General Municipal and Boilermakers' Union in the industry. That tradition has gone now. For the past months he has attempted to get support for his old comrades among his members in the big Yorkshire power stations. But "it's harder now than it was before. They're all taking oil apart from Ferrybridge C and they've got coal stocks to last two or three months flat out—and none of them are flat out."

The two stations where there has been significant action by either the GMBU or the Transport and General Workers—

Diddot, near Oxford and West Thurrock, on Thameside—are now seen by Government and the Central Electricity Generating Board as flashes in the pan. In the former, the embargo on new coal has broken down in two of the four shifts, while the latter does not matter. The warnings by the conference hate figures of Mr Eric Hammond of the electricians and Mr John Lyons of the power engineers that to promise industrial support was a delusion appear to be borne out. The TUC can do nothing.

But the striking miners will not give up. Mr Gill is right to that extent. "You don't need buildings to fight," says Mr Collins. "It's our generation that has to be a stand," says Mr Wayne Barbery, a 25-year-old faceworker at Eastington pit in County Durham. The leaders who have encouraged the strike for nine months have nowhere else to go, nothing else to do but see it through for many of their activist supporters, the same has come to be true.

Nor will the working miners. "You can't have people putting themselves above the law," said Mr Colin Clarke, President of the National Working Miners' Committee yesterday. "That's anarchy." He, with Ken Foulstone and Andy Taylor of Maunton pit in Yorkshire, has been most responsible for unclashing the law on the unions; it has been taken by NUM members, and have mainly been judged under the laws of contract or trust rather than the new employment acts. Mr Gill's vision of workers rising against new legal oppression is probably wrong.

The nightmare of division, hatreds and competing ambitions which this will bequest the NUM after the strike will be unparalleled in contemporary union history: for the present, the working miners' group continues a thumb in Mr Scargill's side, which is pushed in deeper and deeper. Mr Clarke and his colleagues are not popular, even with the working Nottinghamshire miners: their delegates at Monday's conference made it clear they disassociated themselves from the working miners' group's actions. But they are in too far to pull out.

The TUC leaders will not take instant decisions: they likely tactic is to issue general support of the miners, condemnation of the Government and commitment to keep the NUM going as long as it takes. Privately, they have let it be known that the NUM's decisions are all their own, taken without the consent of advice from the TUC or its lawyers.

But sooner or later they will have either to deliver or pull out. They will know that Mr Scargill will be merciless in planning the blame on them if they do not come to his aid now. He will brand them as class criminals for all time, finching cowards and sneering traitors to the Red Flag of revolt he raised. But they are not likely to be able to play any other role.

## Men and Matters

Forcing people to eat meals without a knife and fork. "The purpose," said Standing, calling for the courses to be scrapped, "is to create an atmosphere which makes people give total commitment to the airline."

He had been informed that some staff had undergone dramatic personality changes during the courses.

Back at Lord King's headquarters, a BA spokesman said that the whole thrust of the training courses was to improve service to BA's customers. "People have been asked to put on a blindfold to appreciate the problems of blind travellers," he said. "It is a voluntary exercise."

Equally voluntarily, some had eaten chicken legs with their fingers and gone jogging to exercise their desk-bound legs. All a token, no doubt, of the energy, strength and vitality represented in BA's new coat of arms.



"It's an EEC edict from Dublin - it says order Spanish omelette you must have French, German and Italian wine with it"

after five years or more of problems with working with them.

The last straw seems to have been a recent article in the paper about Mobil's plans to build a \$300m office tower in Chicago in conjunction with a real estate company that employs a son-in-law of Mobil's chairman, Rowleigh Warner.

This follows other articles describing the links between the company's former president and a shipping firm controlled by his son.

Mobil's performance in recent years has lagged behind that of many others in the oil industry and the heavy trading in its shares in recent months has raised speculation that, like the late Gulf Oil, it is being stalked by an unfriendly investor group. Hardly the best time to stop talking to the main financial newspaper in the U.S.

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**THE EUROPEAN** motor industry is being torn apart over car exhaust controls. Makers want to know how they should be used, and how quickly they should be introduced.

West Germany seems intent on going its own way on the issue, which is a by-product of the acid rain debate. And, according to manufacturers in other countries, this will cause severe disruption and throw the concept of European Community trade harmonisation into disarray.

Against this background, the Community's environment ministers meet in Brussels tomorrow to attempt to put together compromise proposals.

The Italians appear likely to go along with a compromise. The French and British seem implacably opposed, but fear a political solution.

In May this year the European car makers thought they knew what might be required of them. The European Commission has put forward two-part proposals. In the first phase, up to 1989-91, the manufacturers would have to reduce further the emissions of carbon monoxide, hydrocarbons and nitrogen oxides.

This was nothing new. Since 1970, increasingly stringent regulations have been brought into effect to limit pollution from cars. As a result, petrol engines which comply with the regulations which came into force in October this year — push into the atmosphere 70 per cent less carbon monoxide and 50 per cent less hydrocarbons and nitrogen oxides than 1970's new cars.

The Commission, in its latest proposals, wants emissions of carbon monoxide by 1989-91 to be 50 per cent below the pre-1970 level and those of hydrocarbons and nitrogen oxides to be 64 per cent below.

The motor industry agreed that was a reasonable target. But where the industry and the Commission did not see eye to eye was that the Commission suggested a second phase and that by 1995 European cars should match the emission control standards of the U.S. and Japan. (The 1989-91 proposals would take them roughly two-thirds of the way to that target.)

The industry demurred, saying it was too early to talk about 1995 regulations when so little was known about which pollutants cause what damage.

But the West German Government wants to act sooner than 1995. Millions of Black Forest trees are withering, dying or dead. It has not been proved conclusively that car exhaust fumes are in any way responsible, but with the need to appear to do something (and by the sudden rise in support for the Greens, the environmental party which is now regularly attracting 8 per cent of votes in West German elec-

**Car exhaust controls**

**Europe's chance to clear the air**

By Kenneth Gooding, Motor Industry Correspondent



The Swiss image of the battle against exhaust pollution.

(tions) the Bonn government intends to take action.

It says that by 1988 all new cars with engines over 2 litres should meet the U.S. emission standards and one year after that every new car should match them.

On that time scale there seems to be only one way for the industry to meet the U.S. standards—introduce the three-way catalytic converters used in America to clean up exhausts.

This prospect has alarmed the European car producers, not least because catalytic converters are expensive. The CCMC (Comité des constructeurs d'automobiles du Marche Commun) which represents the European producers, estimates the cost would be €15m (99m) a year.

It maintains the additional cost to Britain's new car buyers would be £2.5bn annually.

The present U.S. regulations evolved because of a particular problem in Los Angeles and other areas, where it was found that oxides of nitrogen were reacting with hydrocarbons in sunlight to produce photochemical smog.

Hardly anywhere in Europe has similar climatic conditions,

and the CCMC claims that the available data showed that in 1982 (the date of the latest reliable) European air quality was very similar to that of the U.S.

The emphasis in Europe is on reducing acid rain and the damage it seems to be causing to both health and vegetation.

Mr William Ruckelshaus, former administrator of the U.S. Environmental Protection Agency, giving evidence to a House of Representatives committee recently, made the very point the European car makers have been making to the

**WHAT U.S. STANDARDS WOULD MEAN . . .**

IF EUROPE was to move immediately to U.S. and Japanese emission-control standards, nearly every new car would have to be fitted with a catalytic converter—an additional box, rather like a second silencer, in the exhaust system.

The most common type, the monolithic converter, contains a ceramic honeycomb coated with a catalytic material, usually a noble metal like platinum or rhodium.

The catalyst causes or helps to cause a chemical reaction without being changed itself so a converter should have a long life if treated properly.

The catalytic converter's job is to turn carbon monoxide (CO) hydrocarbons (HC) and oxides of nitrogen (NOx) into carbon dioxide, nitrogen and water.

A three-way converter which can create all three reactions needs fairly sophisticated control which means it is expensive—industry estimates vary between £200 to £500 a car.

Catalysts are very quickly "poisoned" by lead which sticks to the honeycomb and prevents it doing its job. Therefore cars fitted with converters must be able to run on unleaded fuel.

Lead additives are used in petrol partly to provide extra lubrication, but their prime task is to act as an "anti-knock" agent which

helps smooth the combustion of the air and fuel mixture in the cylinder.

This, in turn, enables the production of engines with higher compression ratios (the ratio of the maximum to the minimum volume of the cylinder or the extent to which the fuel and air mixture is compressed). The higher the compression ratio, the more efficient the engine.

The degree to which petrol resists knock is defined by reference to an artificial scale of octane numbers—the higher the octane number, the better the anti-knock properties.

Remove lead from fuel and the octane rating will fall, engines will require lower compression ratios and their efficiency will suffer.

Critics of the catalyst suggest the penalty is up to 10 per cent in fuel consumption and a cut in the pulling power and top speed of any given engine.

It is possible to make high-octane, lead-free fuel, but very expensive. The car manufacturers and the oil industry are embroiled in an argument about who should pay—the vehicle producers for changing engines or the oil companies for changing refining processes—because the UK Government has decided that by 1990 all new cars will have to run on lead-free fuel.

German.

He said: "We do not know the true extent or meaning of this damage (to trees), the speed at which it is taking place, or what factor or combination of factors is causing it. We do not know if the causes are the same in Europe as in this country. Many investigations believe that several interconnected factors are at work and that air pollution of some sort may be important among them."

Our current knowledge, however, does not tell us whether the offending pollutants are sulphates, nitrates, oxides or heavy metals.

"This situation illustrates well why waiting for further research to be completed before initiating a control programme is a rational decision."

But the German are pressing on with the rest of the industry claims might well be an expensive ride down a blind alley.

The German Government intends from next month to introduce various incentives to encourage car buyers to purchase cars with catalysis.

General Motors subsidiary in Germany, Opel, has more than 1,000 people working on its emission controls programme, is running tests on the latest and about 350 engines. It will be investing around DM 1bn in engineering and manufacturing technology and modifications on its cars, according to Herr Friedrich Lohr, its engineering director.

GM has a vested interest in promoting the catalyst and persuading the rest of Europe to follow the German lead. It is one of the largest producers in the world and is ready to set up a plant in Europe. Johnson Matthey, in Britain, another major catalyst producer, also has much to gain.

The French, Italian and British industries are furious at the prospect that the Community might be "blackmailed" into following the German lead. The UK Government only this week significantly hardened its line on the acid rain issue.

Catalysts cost just as much to fit to small as to large cars and therefore militate against the small models which Fiat, the leading importer in West Germany, Renault and the Peugeot group mainly sell in that country.

Those companies, and Austin Rover in Britain, see the German proposals as a non-tariff barrier to trade.

The compromise on the table in Brussels this week would apparently exclude small cars—those with engines of under 1.3 litres—from the necessity to meet U.S. standards. Cars with engines of over 2 litres would have to fit converters. It remains unclear as to what happens to those cars in the middle range, which account for well over one third of total European sales.

**UK local government reform**

**A step down the pathway to unaccountable chaos**

By Bob Leach

MOST of the arguments surrounding the abolition of the GLC and the Metropolitan Counties have concentrated on the immediate practical consequences—the costs or savings and the impact on specific services. These are important considerations, but the proposals need also to be viewed in the broader perspective of the implications for the entire local government system and for the future of local democracy in the UK.

While the whole history of local government since 1945 has seen a steady erosion of functions, the Government's proposed reorganisation of the metropolitan areas takes the process one crucial stage further and threatens to put local government back to the era before the great Victorian reforms of the late 19th-century. In a celebrated phrase the then President of the Poor Law Board, George Goschen, characterised the unreformed system then as "a chaos as regards authorities, a chaos as regards rates and a worse chaos than all as regards areas."

What Goschen was describing and criticising was the 19th-century proliferation of single purpose government bodies, all with different systems of elections, different rates and different boundaries, leading to confusion, conflict, waste and inefficiency. The remedy favoured by Goschen and other reformers was the introduction of a system of multi-purpose elected authorities for the entire country. We are now, not suddenly, but gradually and inexorably, demolishing the system of democratic local government patiently established by the Victorians and replacing it with a system remarkably similar to the one Goschen condemned.

This may seem far-fetched, but consider. Since 1945 a succession of services has been removed from direct local government control and placed in the hands of single-purpose bodies. Professor Robson mournfully catalogued the losses of the first 20 post-war years in a fine, now almost forgotten, polemic entitled "Local Government in Crisis," and pinned his hopes on local government reorganisation. Ironically, the massive reorganisation of the early 1970s not only failed to reverse

**Steady erosion of democratic values and practices**

the trend, but actually accelerated the process, removing the personal health services and water from local government. The latest reorganisation proposals mark a further, and perhaps decisive, stage in the disintegration of the system of elected multi-purpose authorities established by the Victorians. In the metropolitan areas, police, fire and public transport are to be removed from direct democratic control, and placed under joint boards. There are dark hints that waste disposal could follow.

The Government seems determined to re-create the chaos of 100 years ago, before the great reforms of 1888 and 1894. Already there is a chaos of boundaries, local authorities, health authorities, water authorities and the local offices of other governmental bodies covering different geographical areas.

There will certainly be a chaos of rates, with precepts from the new joint boards, added to the existing district and water rates. Finally, this spawning of additional single-purpose bodies will complicate even further the existing confusing chaos of authorities, creating an administrative jumble worse than the one of Goschen's day.

Does it matter? Well, yes it does. The fragmentation of government caused by the proliferation of ad hoc authorities increases public confusion. It also weakens public accountability. The principle that public money should be spent only by bodies fully accountable to the public, directly or through elected representatives, has become dangerously eroded.

In addition, the proliferation of single-purpose authorities considerably reduces liaison and co-ordination between services.

Even more serious is the steady erosion of democratic values and practices. It is sometimes suggested that local democratic institutions are not really all that important, and democracy can survive without them. The 19th century reformers did not think so.

**Recovery or oblivion**

From Mr D. Bird

Sir.—The Chancellor commented recently that "in a free society and mature democracy, you have to govern by consent. We have to go at a steady pace. We are a very old and slow-moving country." This raises a point regarding the role of the Government in tolerating the country's idiosyncrasies and its presentation of the alternatives.

Economic reality dictates, with blistering clarity, that we cannot afford to move at a "steady pace" towards creating the wealth necessary to cure our many problems. Social policy, however, seems to demonstrate, à la Lawson, that there are so many restricting factors in our ancient and ponderous democracy, that greater exports, productivity, higher employment, the recruitment of better management for industry—the list seems endless, are problems we can only rectify in second hand.

Like the Japanese and West Germans, be merciful with charitable restraint, while we achieve "this measured metamorphosis".

And how long do we need to achieve it? Ten, 20, 30 years? Will our competitors pause and grant us the time in which to reach a situation they viewed at perhaps 20 years ago? It seems to have taken us that time to perceive, via the Manpower Services Commission, the fact that they have been prepared to invest vast amounts of their sales revenue in training. How long will it take before our implementation of similar, and hopefully other, measures show results in economic terms? Time is certainly not on our side!

One is bound to question the extent to which the Government can afford to tolerate and acquiesce to the demands and habits of our old and very slow-moving country. The Japanese and West Germans had the sort of prejudices, complacency and sheer stupidity we have suffered since the war crushed out of them with dramatic effect, as expressed by their economic dominance. We, of course, have continued to labour under the good fortune of not having had a similar experience!

For those who never or rarely go abroad, it is difficult to compare measures which have proved successful in another country and which must therefore appear unnecessary and even frightening when proposed here. But surely it is the duty of the Government to make such comparisons, repeatedly and with precise and brutal frankness, so that the alternatives to recovery in pain or continuing decline in oblivion!

**Letters to the Editor**

**Cotton as a crop**

From the Executive Director, International Institute for Cotton

Sir—I should like to respond to one paragraph in Patti Walmer's stimulating article "Famine in Africa" (November 21)—written as it was against the background of the appalling series of famines afflicting Africa in recent years.

The unnamed African critics, blaming World Bank programmes for giving undue emphasis to cash crops, choose a singularly inept example in cotton—both in general and in the particular case given.

Cotton production in Mali—in fact—rose 127 per cent between 1967 and 1972, and 400 per cent as they claim. More importantly, the 1972 crop was produced on just 0.66 of one per cent of Mali's arable land (i.e. that under regular crop cultivation). Surely it is a gross distortion to blame cotton's inroads on to food producing land as even a minor contributor to the ensuing famine.

In fact export earnings from raw cotton in that drought year were vital to the country's battered exchequer—accounting for 25 per cent of Mali's total foreign trade earnings.

Furthermore it is too often ignored that cotton is a significant food source. Some two-thirds by weight of any crop is cotton-seed—today the world's fifth source of vegetable oil for human consumption—accounting for 8.5 per cent of oil from major seed sources. As a source of high protein animal feed, cotton-seed ranks second only to soybeans. In the specific case of Mali the need to "store" a cattle herd exceeding 4.8m in the dry season makes availability of such a feed source indispensable. (Cattle can maintain body weight from the driest of dead vegetation only providing they have a minimal protein-rich supplementary feed.)

The sad fact is that not nearly enough is done—because

the finance is not available—to maximise the advantages of cotton production in the Third World. That is no reason to propose that the present structures be dismantled.

Cotton agriculture provides a one paragraph in Patti Walmer's stimulating article "Famine in Africa" (November 21)—written as it was against the background of the appalling series of famines afflicting Africa in recent years.

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The sad fact is that not nearly enough is done—because

**Finance for students**

From Mr J. Smulders

Sir—It is a little difficult to see how new graduates earning perhaps £8,000 a year in their first job, are going to repay a student loan of say £10,000 as well as starting on the property ladder with a large mortgage, run a car and pay for other normal living expenses. Really your idea (Leader, November 30), is unrealistic!

A new generation of middle class parents will, no doubt, to coin a popular phrase, vote with their feet, and have fewer children in the future.

F. Smulders, The Hoven, Comden Place, Bourne End, Bucks.

**Rights versus placings**

From the Chairman, Wider Share Ownership Council.

Sir—I was glad to see that you have (November 30) added your editorial voice to those which have been criticising "vendor placings."

As you say, the idea that capital is raised advantageously by issuing shares at a discount is preposterous, and I hope you are mistaken in thinking that at least some financial directors do not understand this. Recalling the long-accepted heresy that there was or could be a "bonus element" in rights issues, however, I fear you may be correct.

Having said that, I am sorry to see that you seem to accept the "housemaid's baby" argument that a few small dilutions should be overlooked. The thing is wrong in principle, and the efforts of those (including HM Government) who are concerned to promote wider share ownership will be seriously undermined if potential investors begin to suspect that they can be fleeced in this way.

Edger Palamountain, 94, St Paul's Churchyard, EC4.

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# FINANCIAL TIMES

Wednesday December 5 1984



## Washington plans deep cuts in farm price support

**By Stewart Fleming in Washington**

THE REAGAN Administration is examining proposals to cut farm price supports drastically over the next three years as part of its effort to reduce the federal budget deficit. White House budget officials confirmed yesterday.

They say that the objective will be to try and reduce annual price support outlays from an anticipated \$12.9bn in this fiscal year to about half this level in 1986.

Mr John Block, Agricultural Secretary, is reportedly backing the proposal to reduce price supports to a level that would allow the agricultural sector to eventually take its fair share of the budget cuts.

However, along with other Reagan Administration officials including Mr Donald Regan, Treasury Secretary, Mr Block believes that significant cuts in the rate of growth of defence spending must also figure in the President's deficit reduction programme. The future of the defence budget is the centre of a fierce controversy within the Reagan Administration. Mr Caspar Weinberger, Defence Secretary, is fighting pressure to concede a freeze on military pay in the 1986 budget.

Administration officials say that although reductions in farm support programmes have been accepted as necessary it has not yet been decided how this is to be done and what kind of more economical farm programme should replace the existing system, which dates back to the 1930s.

In an interview yesterday Mr Block said that one proposal was that the Government should only support farm prices when they fell to 75 per cent of the average open market price over the past five years. At present, support prices can exceed market prices.

Mr Block also said that he would propose a "get-tough" policy by the U.S. to pressure foreign competitors not to subsidise their farmers. There are signs, as tensions increase between the U.S. and ECX countries on agricultural subsidies, that the Administration is already adopting a tougher stance on agricultural trade.

There are predictions also that when the legislation needed to reform the farm support programme comes before Congress next year it may feature proposals aimed in part at helping U.S. farmers compete more effectively in international markets.

World course grain crop set for record, Page 40

## Statoil 'will match' lower UK oil prices

**By Dominic Lawson in London**

STATOIL, the Norwegian state oil company, is expected to announce today that it will match the UK's lower North Sea oil prices for the rest of the year.

Norway has been selling its crude oil at official prices 35 cents above the level of comparable UK crudes and has come under sustained pressure from customers to cut its prices.

North Sea spot prices are well below official levels. January shipments from the UK market crude, were quoted yesterday at \$27.50 a barrel, compared with the term price of \$28.65.

Statoil has the option of gaining customers from the British National Oil Corporation (BNOC) by undercutting the UK price. The Norwegian state oil company came under heavy domestic political attack, however, when it unilaterally cut its oil price in October.

This was followed by price cuts from Britain and Nigeria and precipitated the recent decision by the Organisation of Petroleum Exporting Countries to cut production and hold prices.

## Warsaw Pact calls for N-missile elimination

BY LESLIE COLTIT IN EAST BERLIN

NEXT MONTH'S Soviet-U.S. arms control talks in Geneva should aim to reduce and "completely eliminate" strategic and intermediate-range nuclear missiles in Europe and elsewhere, while banning antiballistic missile systems in space, the Warsaw Pact says.

A two-day meeting of Warsaw Pact foreign ministers in East Berlin, which ended yesterday, dealt mainly with the talks scheduled for early January between Mr George Shultz, U.S. Secretary of State, and Mr Andrei Gromyko, Soviet Foreign Minister.

Mr Gromyko and the other Soviet-led alliance foreign ministers said they advocated a "radical reduction" and then elimination of medium-range and tactical nuclear weapons in Europe. They also proposed a "quantitative and qualitative freeze" on nuclear weapons and said Moscow was prepared to take this step together with the U.S. as an "example" for other nuclear powers.

The Warsaw Pact communiqué reflected Moscow's deep concern over President Ronald Reagan's "star wars" plan. It said all efforts to spread the arms race to the "cosmic sphere" would have to be halted. This problem must be "radically solved" as soon as possible by means of a "dependably controllable" agreement on a bilateral or multilateral basis, it said.

The foreign ministers said their countries wanted to "continue and intensify" détente in Europe while strengthening security and developing co-operation in continental Europe on the basis of the final act of the 1975 Helsinki Conference.

The Warsaw Pact members also called for negotiations to begin to conclude rapidly a nuclear test ban treaty. They reiterated their proposals to ban chemical weapons in Europe and to conclude a renunciation-of-force treaty with Nato.

The tone of the Warsaw Pact communiqué was largely conciliatory although it attacked the U.S. for allegedly wanting to achieve military superiority. The Warsaw Pact warned of the dire consequences of a continued upward spiral in the arms race, pointing out that as long as it is not too late "everything must be done to lessen the danger of a military confrontation."

Chernenko ready to meet Reagan, Page 3

## Nato ministers boost spending on conventional weapons

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN BRUSSELS

NATO defence ministers yesterday agreed to more than double spending on projects designed specifically to improve the alliance's ability to fight and to sustain a conventional war in Europe.

The ministers have approved a fund of \$7.85bn which will be spent on Nato's so-called infrastructure programme during the next six years.

This will enable the alliance substantially to improve facilities, such as airfields, aircraft shelters, fuel pipelines and communications which are necessary to receive U.S. reinforcements in time of war.

According to Mr Richard Perle, assistant secretary at the Pentagon responsible for international security policy, the decision to increase the infrastructure fund represented a "very impressive effort" to solve some of the critical problems which

fully satisfy Mr Nunn, who has come to dominate Nato's deliberations over the past few months.

The package is said to mean a real increase in infrastructure spending of about 40 per cent, but it involves a reallocation of resources rather than a net increase.

The infrastructure budget represents less than 1 per cent of Nato's total defence spending but is the subject of frequent wrangling.

Mr Michael Heseltine, the British Defence Secretary, said yesterday that European governments recognised the justice of some of the U.S. criticisms. Mr Nunn's amendment had been a useful spur to action, he said.

## Miners' Luxembourg funds elude receiver

BY PAUL CHEESERIGHT IN LUXEMBOURG

MR HERBERT BREWER, who was appointed receiver of Britain's National Union of Mineworkers' funds by the High Court in London, has failed in his initial attempt to take possession of £4.63m (\$5.53m) worth of dollar bearer bonds deposited in Luxembourg.

The bonds were placed by the union at Nobis-Finanz, a Luxembourg finance house, in an effort to keep them out of the hands of Price Waterhouse, appointed by the court to sequester NUM assets.

Mr Brewer was leaving Luxembourg last night after what he called "amicable discussions" with Nobis and its legal advisers. Decisions would be taken later, he said.

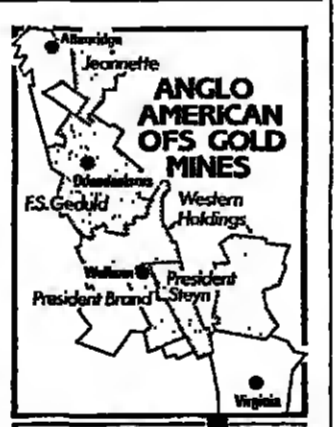
His next step will be to report to the High Court tomorrow on the progress of his receivership. At that time he may be confirmed as the receiver. His initial appointment was for one week only, allowing the NUM some room for manoeuvre if it chose to purge its contempt of the court.

Mr Brewer is understood to have left specimen signatures at Nobis suggesting that the finance house could be prepared under certain circumstances to hand over the NUM funds.

It is probable that Nobis is waiting for the outcome of tomorrow's High Court hearing. The temporary nature of Mr Brewer's appointment could have been a deterrent to a rapid transfer of funds.

It opened up the possibility that Nobis might have been faced with two claims: one from the receiver acting in effect on behalf of the sequestrators and a second from the NUM itself.

Mr Brewer may decide that he now has no option but to go into the



## Mines merger at Anglo American

Continued from Page 1

several years into the next century. There could also be tax benefits.

The OFS was the first big gold field to be discovered in South Africa after the Second World War. Mr Henry Oppenheimer headed the team responsible for developing the Anglo American group's gold mines in the field and they reached full production in the 1950s.

The biggest disappointment was the ill-starred Jeanette property, which was abandoned in 1955 when, after two shafts had been put down, gold values failed to live up to expectations and difficult mining conditions were encountered.

It is possible, however, that the property may be included in the enlarged mining complex later

## Extortion hits profits in Japan's sweets industry

By Yoko Shibata in Tokyo

JAPAN'S CONFECTIONERY industry has fallen into an unseasonably deep gloom with sales at the 6,000 retailers running 15 per cent below last year's level following the extortion campaign against two of the larger sweet manufacturers, Ezaki Glico and Morinaga.

The sales drop has been worsened by the decision of the sweet makers to curb their advertising campaigns - perhaps hoping that by keeping a low profile they will not attract the extortionists' attention.

Schoolchildren are being told to stay away from sweets, and many shopkeepers claim that the sight of a child buying confectionery is becoming rare.

The Japanese Government has been forced to assist the sector. The Ministry of Labour has designated sales and manufacture of confectionery as eligible for employment subsidies under a measure that came into effect from December 1.

Morinaga, with 73,000 employees, will be able to claim half to two thirds of the cost of any redundancy or other labour agreement it reaches with its unions as a result of its difficulties.

The Government's measures are aimed at helping Morinaga's subsidiaries and suppliers which face severe financial difficulties following the 10 per cent reduction in parent company production. The drop came after threats to poison the group's products by a still unidentified gang of extortionists.

According to the Ministry of Finance, five Morinaga affiliates have asked for loans totalling ¥500m (\$2m) from various official institutions. Loans to the value of ¥150m have already been advanced to companies by government-backed bodies. The ministry has asked institutions to respond quickly to new appeals for assistance.

The top four quoted confectionery companies - Morinaga, Glico, Meiji and Fujiya - have reported poor business prospects for the year to March 1985. Interim net profits at Morinaga dropped by 46 per cent to ¥1,570m although sales were up 8.7 per cent to ¥66.1bn. For the full year, Morinaga forecasts a pre-tax loss of ¥1.3bn.

Glico, which has been under poisoning threats since last March, saw its interim net profit fall to ¥2m from ¥3.8bn on sales down 28 per cent to ¥47bn. The company has forecast a small net profit of ¥400m, 98 per cent down on last year's level.

Sales at Meiji were down 2.1 per cent to ¥100bn for the half year, and net profits were down 15.4 per cent to ¥2bn. Full-year profits are expected to fall 14 per cent to ¥4bn.

At Fujiya interim net profits dropped by 18 per cent to ¥220m on sales of ¥57.2bn, up 3.4 per cent. The company is projecting net profits for the year 15 per cent lower at ¥550m and sales unchanged at ¥122bn.

Reuter reports: Swiss police arrested a 40-year-old Swede alleged to have threatened the Nestlé food company that he would poison their chocolates unless he was paid SwFr 700,000 (\$278,000).

## Alexander in Canadian merger plan

Continued from Page 1

In the first nine months of this year the company has struggled back to net profits of only \$18.8m.

Reed Stenhouse has also suffered a profits slide since its peak year of 1981, when it earned \$51.2m. Last year net income amounted to \$31.2m, and in the first nine months of this year they reached \$55.1m. Sales of the combined group are expected to amount to about \$900m next year.

Mr Densen said that there might be some short-term earnings dilution for Alexander & Alexander shareholders as a result of the deal, but that he expected rapid benefits.

"We feel that there is almost a perfect fit between the two companies," he said. "Reed Stenhouse is extremely strong in the international retail brokerage business, while we are quite strong in this field in the U.S. where they have problems."

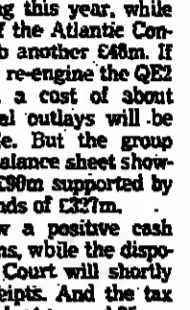
## THE LEX COLUMN Alexander the Munificent

The incautions in pursuit of the indigestible is perhaps an uncharitable way of looking at the proposed merger of Alexander & Alexander with the Reed Stenhouse Companies. A & A has not exactly demonstrated that it has a golden touch when it comes to acquisitions - the unfolding disaster of its involvement with Alexander Howden suggests the contrary view pretty firmly. It must be, in part, a consequence of the Howden affair, with its post-acquisition trail of asset shortfalls and Riviera villas, that the present wedding festivities are to be rather protracted. Each side is going to exercise all imaginable diligence in going through the books.

From the Reed Stenhouse viewpoint, at any rate, there is the attraction of a healthy bid-premium. Indeed, former shareholders in the old Stenhouse Holdings group, rather acrimoniously absorbed by RSC earlier this year, will have doubled their money in the space of 12 months. An exit price which represents something like 20 times current-year earnings is respectable enough.

Anyone who asked for more would have to show that the apparent upturn in premiums since the summer would work more to the advantage of RSC than other holders. It might be argued, however, that the success of fit between the two groups - another way of saying that they have little business in common - will ensure that the high price can be absorbed in an exceptionally rapid recovery of combined earnings.

## GEC



profits from that area owed a good deal to exceptional results from Marconi Canada, but the £3m turnaround at A.B. Dick showed GEC in its old nettle-grasping form.

## BPCC/Waddington

Mr Robert Maxwell's latest trip around the Monopoly board has drawn him two interesting chance cards. The first proclaims as expected that there are one or two more hotels on the Waddington square than the first time BPCC threw the dice. The returns on the Waddington property next year look more attractive than ever, although the defence has not been able to come up just yet with a full 1984-85 profits forecast. Mr Maxwell's formal complaint to the Take-over Panel on this score seems unlikely to be more than a passing distraction from the real issues.

## Trafalgar House

Trafalgar House has turned in preliminary results of which even Mr Jeffrey Stealing would be proud. The 43 per cent gain in pre-tax profits to £113.2m was admittedly assisted by a bewildering string of acquisitions and disposals during the year to September, but it is hard to quibble with underlying earnings per share growth of just over a quarter.

Almost all the improvement at the trading level can admittedly be attributed to the Forties oil field investment, and it is disappointing to see, after all the toil and trouble, that the profits on the P & O investment, and on three bonds were only just sufficient to offset write-downs on two fruit carriers. But, with Comber under its belt and the offshore companies showing a good deal of strategic coherence, Trafal-

The Cathedral alone took 43,435 days to complete. And most of those were in the 12th century. Peterborough has been important since Roman times, giving it the kind of charm that only comes with 2,000 years of natural growth. It's not a planner's dream, which so often turns out to be a resident's nightmare.



Today it's continuing to develop at a human pace, whilst keeping up with modern needs. The brand new shopping centre, Queensgate, is widely considered to be England's finest. Leisure facilities have also grown with the city. The traditional country pastimes of sailing, riding, fishing or just walking are, of course, well established. So are the arts, theatre and golf, plus all the indoor and outdoor sports. New facilities include England's biggest ice-rink, a tennis centre with hotel and a 1,000 metre rowing course. Find out how your business can enjoy the next 2,000 years in Peterborough. Return the coupon, or call John Bouldin on Peterborough (0733) 68931.

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Aberystwyth	12	54	12	54	10
Aberdeen	12	54	12	54	10
Admiralty	13	55	13	55	10
Amsterdam	14	57	14	57	10
Birmingham	15	59	15	59	10
Bombay	16	61	16	61	10
Boston	17	63	17	63	10
Calcutta	18	64	18	64	10
Cardiff	19	66	19	66	10
Canton	20	68	20	68	10
Christchurch	21	70	21	70	10
Copenhagen	22	72	22	72	10
Dublin	23	73	23	73	10
Hankow	24	75	24	75	10
Hong Kong	25	77	25	77	10
Kobe	26	79	26	79	10
London	27	81	27	81	10
Lyons	28	82	28	82	10
Mumbai	29	84	29	84	10
Nairobi	30	86	30	86	10
Rangoon	31	88	31	88	10
Singapore	32	90	32	90	10
Tokyo	33	91	33	91	10
Yokohama	34	93	34	93	10

## EEC stalemate broken

Continued from Page 1

common positions on fish, fruit and vegetables, amounts to a vital breakthrough towards completing the enlargement talks.

The heads of government also endorsed an agreement on budget discipline in the Community, which will now involve the European Parliament, and was formally adopted by their foreign ministers.

That deal will finally allow both Britain and West Germany to pay up their shares of the immediate Ecu 1bn financing gap faced by the Community before the end of this year. Both governments had refused to pay until budgetary discipline was guaranteed.

They also agreed on the broad guidelines for greater co-operation in economic policy, particularly on job creation and faster progress towards a genuine common market in goods and services.

Officials now expect the enlargement negotiations with Spain and Portugal to resume at an official level next week, but each agreement will remain subject to the latest Greek reservation that it will not give its final approval until the Mediterranean programme is satisfactorily settled. That might cause the process to be regularly disrupted.

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# Deere income hit by cost of sales campaign

BY WILLIAM HALL IN NEW YORK

JOHN DEERE, the leading U.S. farm equipment manufacturer, reported a 31 per cent drop in fourth-quarter net income to \$34.2m, but says that after stripping out inventory benefits and other special items worldwide net income is virtually unchanged on a year ago at \$32.2m.

Deere says it continues to suffer from low levels of capacity utilisation and "extremely high cost of sales incentives" which were substantially higher in the final quarter of the current year. The higher incentives, particularly on older model tractors and combine harvesters, more than offset the favourable effects of greater volume. Sales incentives have enabled its dealers to show much improved sales in recent months in comparison with the rest of the depressed North American industry.

It warns, however, that it sees no short-term improvement in North American retail demand for the farm equipment industry. Relative to high interest rates and low commodity prices continue to take their toll of the farm economy.

# Royal Bank of Canada slips 6%

By Robert Gibbons in Montreal

ROYAL Bank of Canada, the country's largest chartered bank, suffered a 6 per cent drop in earnings for fiscal 1984, mainly due to very tight margins on international business, slow domestic activity and a continued high level of non-performing loans and loan losses. Fee income continued strong, however.

# Growing up at State Street

BY PAUL TAYLOR IN NEW YORK

WITH TRADITIONAL wholesale banking business in the U.S. in the doldrums or worse, many banks are turning to non-interest or fee income to bolster their bottom lines. Some, like Boston's State Street bank, have a head start. The bank, the fifth largest in Massachusetts and one of the nation's oldest, was founded in 1792 mainly to serve the city's merchant community and international sea trade.

State Street, with just over \$4bn in assets at the end of last year, hardly ranks in terms of size against the major U.S. money centre banks. State Street, however, has proved a highly successful specialised player in the money management, trust and custodian services business. State Street is one of the top domestic investment trusts and the market leader as a mutual fund custodian. In total the bank has over \$100bn in securities under its responsibility.

"We and Bankers Trust were the first to spot the market," said Mr Golz. Mr Golz and State Street believe they have hit upon another and potentially massive growth area: offering custodial services across the world to pension funds and institutional investors whose portfolios are increasingly geographically dispersed.

Using this network State Street offers institutions a service which records together securities handling, record keeping, tight cash management, consolidated and multi-currency reporting and other features in one package. The advantage, according to Mr Golz, is that instead of dealing with for example five separate custodians around the world the fund manager with an international portfolio only needs to deal with one.

# Cape Industries set to write off half its group assets

BY RAY MAUGHAN

CAPE INDUSTRIES, the 67 per cent-owned building products subsidiary of Charter Consolidated and one of its most important UK assets, will today announce that it has written off about half of its assets with the sale and closure of its fibre insulation division.

It will add the two plants to its fibreless insulation division. Assets to be sold were valued at about £13m (\$15.4m) at the end of September, which compares with the proceeds received by Cape of some £2m which it will use to cut borrowings.

Striving and Queensberry made losses of £1m in the nine months to September after profits in previous years, but Cape estimated yesterday that the cost of closing the Washington factory would be £3m which Mr David Llewellyn, Cape's finance director, said would lead to the erosion of about £20m of the group's assets.

For all of fiscal 1984 earnings from domestic operations, at £355m, were up 4 per cent and return on assets was 0.65 per cent against 0.66 per cent. On the international side earnings were £81m down 14 per cent and return on assets was 0.29 per cent against 0.35 per cent.

# Touche Ross buys Boston consultancy

BY OUR NEW YORK STAFF

TOUCHE ROSS, one of the "big eight" U.S. accounting firms, has acquired Braxton Associates, a large independent management consulting firm.

The acquisition is the latest move by the large U.S. accounting firms to bolster their fee income from consultancy services. It also comes as partners in Price Waterhouse and Deloitte Haskins & Sells, two other leading accounting firms, begin voting on a planned merger.

# Georgia-Pacific sell-off to leave \$160m loss

BY OUR FINANCIAL STAFF

GEORGIA-PACIFIC, the U.S. forest products company, expects a net loss of \$160m on the proposed sale of its commodity, chemicals and oil businesses.

The group has agreed to a management buy-out of its commodity chemicals business. It will receive \$200m cash and securities with a discounted present value of about \$70m.

Advertisement for The Saudi Investment Bank. Includes text: 'What's new at the Saudi Investment Banking Corporation? Our name... The Saudi Investment Bank'. Features an image of a modern building and the bank's logo.

Advertisement for Mitsubishi Metal Corporation. Includes text: 'All these Securities having been sold, this announcement appears as a matter of record only. November, 1984'. Features the Mitsubishi logo and lists various financial institutions.

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NEW ISSUE

November, 1984

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## INTL. COMPANIES & FINANCE

### GHH forecasts return to profit

BY RUPERT CORNWELL IN BONN

GHH, West Germany's largest mechanical engineering group, yesterday reported a loss of DM 58m (\$18m) for the year ended June 1984, compared with a deficit of DM 84m a year earlier. However, the concern is confidently forecasting a return to profits for the current year, thanks to the improving economic climate and turnaround at last at its biggest subsidiary, the engines and trucks group, MAN.

Last year MAN was again more than responsible for the loss of the GHH group, although a rationalisation programme helped cut MAN's deficit to DM 112m, from DM 148m in 1982-83.

The parent company has confirmed its intention of cutting the dividend to DM 6 from the DM 10 per share of 1982-83. But it reported healthy increases in both order intake and sales for last year. Orders jumped by 14.4 per cent in the 12 months to June to reach DM 17,038m, with the proportion for export rising to

over 52 per cent, from 49 per cent. Turnover grew by nearly 5 per cent to DM 16,658m.

In the first four months of the current year, GHH reports orders of almost DM 5bn, little changed from 1983-84. The renewed expansion however did not prevent a further cut in the group workforce last year, by 8.8 per cent to 69,542 as restructuring programmes bite deeper.

Mannesmann, the leading steel and engineering group, has announced a 1985 investment

programme totalling DM 788m, of which DM 498m will go for plant modernisation and extension; DM 213m will be channelled to the engineering and plant equipment division, the company said.

Lufthansa has completed the purchase of 25 per cent of Avis of West Germany. The purchase is conditional on approval from the Federal Cartel Office. The two companies also agreed to broaden and extend for a further 10 years their flydrive co-operation agreement.

### Swiss venture for Dutch paper group

By Laura Rann in Amsterdam

BUEHRMANN-TETTERODE, the Dutch paper company, is considering a joint venture with the Roxco group of Switzerland for the production of paper and synthetic industrial bags.

Bates Ceppo, a Buehrmann subsidiary that makes large, heavy-duty bags for industry, would be combined with Roxco, a Zurich-based company engaged in the same business. The newly formed Dutch-Swiss concern would comprise four factories: Bates Ceppo's Mastrecht factory and Roxco's two in Switzerland and one in Belgium.

Buehrmann, which is based in Amsterdam, announced last week a joint FI 80m (\$22.8m) investment with Royal Dutch paper mills.

Besides paper and related products, Buehrmann also makes industrial machines, sporting goods and toys. Through structural changes and corporate reorganisation in recent years, it restored earnings to FI 26.9m last year, up sharply from the FI 1.5m of 1981.

### Go-ahead for Rumasa disposal

BY TOM BURNS IN MADRID

THE SPANISH Government is expected today to approve the sale of the former Rumasa department store chain, Galerías Preciados to Gustavo Cisneros of Venezuela.

The sale price for the 27 stores has not been disclosed, but officials said it was in the region of Ptas 25bn (\$8.7m). Gustavo Cisneros is understood to have offered Ptas 1.5bn for a 100 per cent shareholding and a further Ptas 5bn to cover part of the bank debt accumulated by the stores, reported to be close on Ptas 26bn.

The rest of the Ptas 25bn

purchase price covers an undertaking to provide the Venezuelan group to cover social security, pension funds and direct tax owed to Galerías Preciados as well as debts to suppliers.

The sale of Galerías Preciados leaves just the construction group, Hispano Alemana, as the last remaining major Rumasa property to be reprivatised. The Rumasa empire was expropriated in 1983 on the grounds that it was on the verge of bankruptcy. Spanish courts are currently reviewing an appeal lodged by Rumasa's founder and former chairman, Sr Jose

María Ruiz Mateos. In the past year other major Rumasa properties, including its 17 banks, its wine interests and its hotel chain have also been reprivatised.

Galerías Preciados, with its accumulated deficit and sustained losses, had proved one of the most difficult companies to sell.

For Gustavo Cisneros, which has wide ranging interests that include retailing and communications in Venezuela, the purchase represents its first major investment in Europe.

### Norwegian bank plans rights issue

BY FAY GJETER IN OSLO

DEN NORSKKE (DnC), Norway's largest commercial bank, plans to make a rights and bonus issue during the first half of 1985.

The issue will increase capital to Nkr 1.65bn from Nkr 1.12bn at present.

Next February a one-for-three rights issue at 125 per cent of par will raise around Nkr 475m (\$52.9m). It will be followed by

a one-for-ten bonus issue in June. Both old and new shares will be entitled to full dividend for 1985.

DnC says it will market the new shares abroad as well as in Norway. Only 5.5 per cent of its capital is currently held outside Norway whereas the quota for foreign investors is 10 per cent.

The bank's funding exercise is being made against a back-

ground of improving profits. For the first eight months of 1984, operating earnings were ahead despite slimmer banking margins.

Operating income for the eight months moved up to Nkr 886.6m, an increase of more than a quarter. As a proportion of total assets profits were 1.78 per cent, slightly down on the return for 1983 as a whole.

### Renault bolsters car side management

BY PAUL BETTS IN PARIS

RENAULT, the French state-owned car group, has further reshuffled its top management in an effort to speed up its recovery and cut losses.

The car group, which lost FF 3.6bn (\$77.4m) in the first half of this year and is seeking to cut 9,000 jobs before the end of next year, has appointed M. Pierre Sémérina to head its troubled car operations.

M. Sémérina has been in charge of Renault's heavily loss-making truck subsidiary, Renault Vehicules Industriels (RVI), for the past two years. RVI reported losses of FF 1.4bn in the first half of this year, but now appears to have started a slow recovery.

M. Sémérina succeeded in restoring RVI's domestic market share which had dropped to 36 per cent last year to around 42 per cent by taking on foreign competition with a particularly

ferce price war. He has also reduced RVI's labour force from 27,800 at the end of 1982 to around 23,200 with relatively little controversy.

His appointment to head Renault's car division, which currently employs 86,000 people in France, is the latest in a series of top management appointments at Renault designed to reinforce the top decision level of the car group.

M. Pierre Tiberghien, present head of Renault's car operations, will take charge of all technical aspects of the car division. M. Tiberghien was formerly head of Renault's planning and design department.

M. Sémérina, before heading RVI, was in charge of Renault's Spanish car operations and of the group's international operations outside Europe. He is expected to concentrate on mar-

keting and labour strategy to return the car division to profit and improve its share of the domestic market.

Renault has given the French unions a deadline of December 31 to approve the group's labour restructuring plan. The group appears relatively optimistic that the plan will be approved even by the pro-Communist CGT union.

Renault has just completed a long round of negotiations with the unions and expects to reduce its French automobile workforce by about 8,000 people through early retirements, repatriation incentives for immigrants and other voluntary departures by the end of last year. It hopes to be able to reduce its workforce by a further 1,000 next year to bring its total domestic car employment to its target of 89,000 people.



Pierre Semorana succeeded in restoring the RVI truck subsidiary's share of the domestic market

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NEW ISSUE

4th December, 1984



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# INTL. COMPANIES & FINANCE

## Canadian bond yields forecast to decline

BY BERNARD SIMON IN TORONTO

BOND INVESTORS accustomed to significantly higher yields in the Canadian dollar market than the U.S. may find Canadian issues a little less attractive next year if economists are reading the signs correctly.

Although U.S. and Canadian interest rates are expected to move up at some stage during 1985, a strong body of opinion contends that the latter—long and short-term—will rise more slowly, narrowing the gap between U.S. and Canadian yields. A significant drop in Canadian rates is forecast for 1986.

Mr Roger Keane, economist at investment dealers Midland Doherty, predicts that the spread between short-term rates, around 200 points at present, may disappear next year. Mr James Stewart, of Dominion Securities Pitfield's economic department, says that long-term differentials will also narrow, but not as much.

These forecasts make the crucial assumption that Canada and the U.S. will come to grips with the bud-

get deficits. Ottawa made a modest start with a mini-budget a month ago. Spending cuts announced then are expected to trim the federal Government's financing requirement for the year to March 1986 from C\$32.2bn to C\$29.2bn (\$22.1bn).

Finance Minister Mr Michael Wilson has promised, however, that these cuts are just a beginning. Further pruning as well as tax increases are likely in next April's main budget.

Stockbroker Wood Gundy forecasts that the Government's cash requirement will tumble by almost C\$10bn in 1986, and that long-term bond yields—presently around 12 per cent—will decline to 10.25 per cent by the end of that year.

Pressure on the markets from other public sector borrowers is also likely to ease, although the full impact will probably not be felt until 1986.

Canada's inflation outlook has reinforced prospects for moderating interest rates. The consumer price

index edged up by a mere 3.4 per cent in the year to October—the smallest increase in 13 years—and wage settlements are at their lowest levels since statistics were first compiled in 1967.

Prices are not expected to accelerate for at least 18 months. Wood Gundy ventures to predict that inflation will slacken to a mere 2 per cent in 1988.

While yields on Canadian paper may thus lose some of their shine, foreigners (Japanese investors are by far the biggest holders of Canadian bonds) can look forward to a stronger Canadian dollar during 1985.

Most economists are confident that the Canadian currency will rise to between 78 and 79 U.S. cents during 1985. The chances of it going higher are dampened by the authorities' policy of holding interest rates as low as possible to sustain business growth and bring down the country's double-digit unemployment rate.

Capital markets, Page 42

## Advance at Australian BOC unit

By Lachlan Drummond in Sydney

COMMONWEALTH Industrial Gases, the Australian offshoot of BOC International of the U.S., has translated an 11 per cent increase in sales to A\$384m (U.S.\$328m) into a 21 per cent improvement in net profits from A\$19.5m to A\$23.6m for its year to September.

The company said the profit growth reflected a slight improvement in market conditions as well as economies introduced in the previous year. The upsurge in annual earnings was more impressive at the pre-tax stage where there was a 29 per cent growth, from A\$32m to A\$41.3m. The rise in the tax rate in part reflected a lower level of investment allowances.

A final dividend of 10 cents against 8 cents, takes the total annual payout to 16.5 per cent from 14 cents in the previous year. Per share profits were 29 cents, against 24 cents.

Satisfactory profit growth is expected for the current year for CIG, which is 80 per cent owned by BOC, while an increased dividend has been assured for 1984-85.

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5th December, 1984

## LTA cautious despite rise in first-half turnover

BY JIM JONES IN JOHANNESBURG

LTA, one of South Africa's major construction companies, views prospects for the next two years with considerable reserve. Dr Zach De Beer, the chairman, says that the combination of restricted capital spending by public authorities and high interest rates has affected the markets in which the group operates and that drop in the volume of available work has led to retrenchments and overhead reduction programmes.

In the first six months ended September 30, turnover increased to R669m (\$329m) from R521m as several long-term contracts were completed. However, operating profit before interest and tax fell to

R9.7m from R15.5m. In the year ended March 31 1984, turnover was R1,060m and operating profit totalled R30.6m.

Paradoxically Dr De Beer says that in the main construction field LTA's order book is higher than it was at the end of March.

First half earnings per share dropped to 23.3 cents from 63.8 cents.

Tiger Oats formerly Tiger Oats and National Milling Company, which earlier this year sold its 29 per cent stake in J. Bibby and Sons to a Barlow Rand, said in its annual report that it was "strongly placed to act" if a suitable acquisition opportunity arose. Reuter reports from Johannesburg.

## Cerebos Pacific lifts earnings

By Chris Sterwell in Singapore

CEREBOS PACIFIC, the Singapore-based Asian arm of Banks Hovis McDougall of the UK, yesterday reported a 9 per cent rise in after-tax profits to S\$16m (US\$7.3m) for the year to July—despite a 4 per cent fall in turnover to S\$152.2m.

The company, which manufactures Western-style drinks and sauces and has special lines in traditional Chinese tonics, said improved operating efficiencies helped the profit figures. These more than compensated for the fall in sales, which was mainly due to lower exchange rates for the Australian and New Zealand currencies.

The figures show a 59 per cent fall in profits contributed by associated companies, from S\$1.5m to S\$610,000. Extraordinary profits are also clipped from last year's S\$1.3m, but do not include 3m ringgit (US\$1.2m) for a Malaysian land sale.

The directors propose a 10 cents a share dividend.

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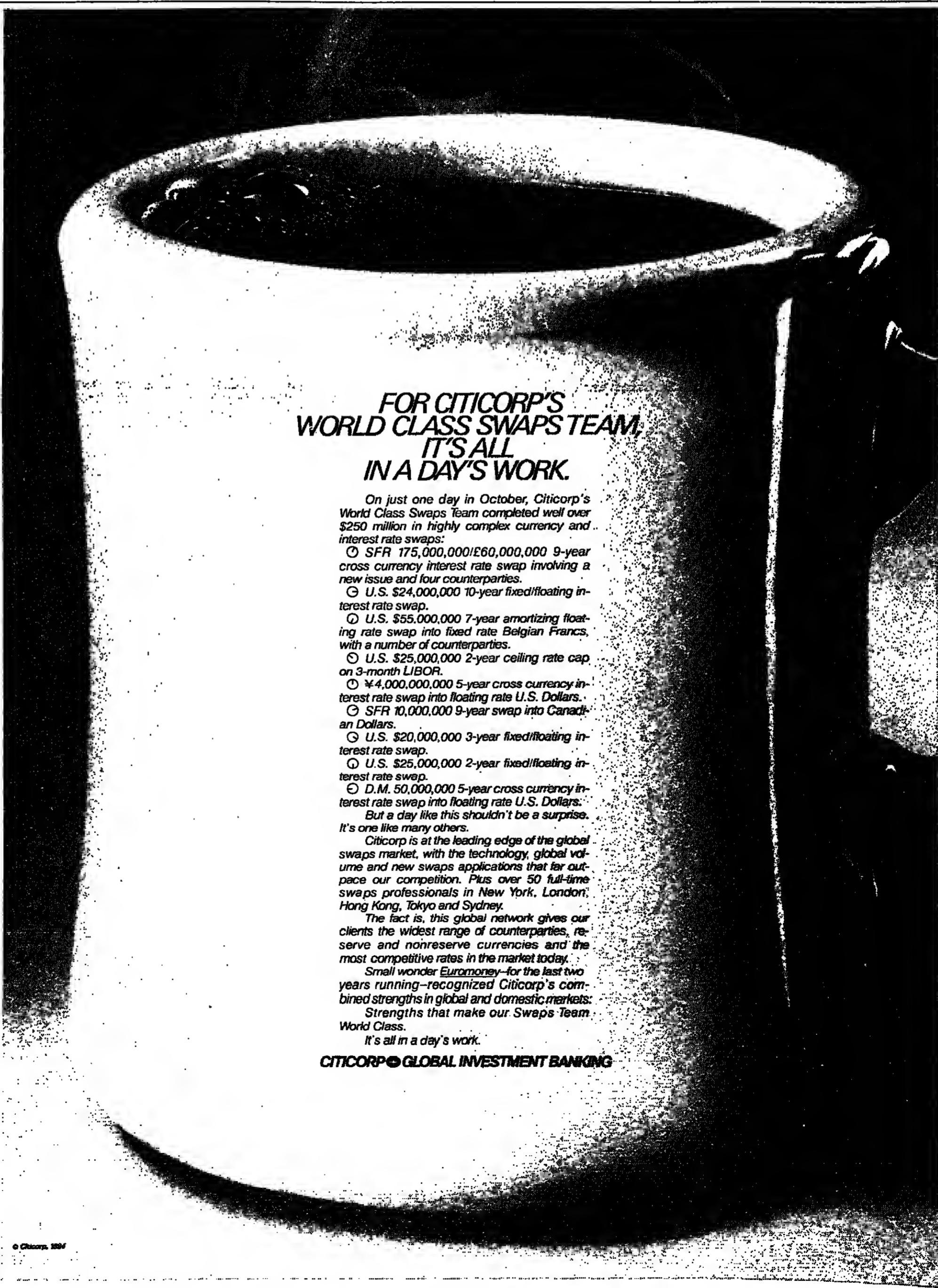
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## INTL. COMPANIES &amp; FINANCE

## Sra Bellisario has the last laugh as Italtel's digital exchange plugs in

BY JAMES BUXTON IN ROME

EARLY THIS YEAR, Sra Marisa Bellisario looked a worried woman. Although the company she runs, Italtel, had confounded its own loss forecast to make a small profit in 1983, she was intensely worried that Italtel's principal new product, a second generation digital telephone exchange, would not be ready on time.

She had visibly to grit her teeth when she asserted last February that production and installation of the exchange, the Protei UT 10/3, would begin on schedule later in the year.

To add to her concerns, SIP, the state telephone utility which takes 75 per cent of Italtel's output, was going through a cash crisis and could order three months ahead of time they made Sra Bellisario having to authorise production of public switching equipment on the assumption that SIP would, in the end, order it.

Italtel was at that point engaged in a race against time to iron out snags in the software of the UT 10/3. Such problems are not uncommon with new digital exchanges, but for a time they made Sra Bellisario, probably the most senior, and certainly the most elegant, female executive in her field in the world, highly vulnerable.

For not only is Italtel a relatively young and small company trying to live down a chequered past, but it is also state-owned—which means that unsympathetic political forces may pounce at any whiff of trouble. And in Italy, Italtel has to compete with the Italian offshoots of two multinationals, I. M. Ericsson, the Swedish-based concern, and ITT, of the U.S., neither of which had any great desire to see the success of the UT 10/3.

Sra Bellisario accuses her rivals now, as she did in February, of having spread unkind gossip about the UT 10/3. But now she has the last laugh. The exchange works, and the first two examples have been installed for SIP. Indeed the exchange was accepted by the Italian authorities after that of Ericsson but ahead of that of GTE, the U.S. company, which is Italtel's partner in Italy, and was before that ITT's.

What is more Sra Bellisario was confirmed in the summer as managing director of Italtel for another three years, and not long ago announced profits for the first half of this year of L16bn (\$8.3bn). Italtel now

expects to earn about L30bn in the full year on sales of L1,200bn (\$625m). In 1983, it staged a L125bn recovery, to turn heavy losses into profits of L10bn.

To add to the relief, SIP finally obtained government permission for increased charges, and made an agreement with the Italian Ministry of Posts and Telecommunications which should ensure steady ordering of Italtel's products for several years. It helps that SIP, like Italtel, is part of the same holding company, the IRI-STET group.

Italtel is Italy's contender in the European public switching equipment industry—an industry in which 12 major companies are developing their own at a time. Sra Bellisario, mostly for domestic markets protected by nationalism and by different technical standards.

The European companies, though they do not like to admit it, are in a race for survival. Since the European markets are almost certainly too small to cover all development costs and export markets are limited, as it did not make things difficult enough, Sra Bellisario has had many peculiarly Italian problems to deal with.

Italtel is not going it alone in making digital exchanges. Nearly three years ago it joined forces with GTE and with Telettra, the Fiat subsidiary, to build a range of digital exchanges for the 65 per cent of the Italian market which is reserved to it and for export. GTE designs and makes the exchange for medium-sized to large users, while Italtel's exchange meets the needs of the small to medium-sized users. More than half the hardware of the two exchange types is the same.

The three companies have already won orders worth \$80m in overseas markets, where they operate under the name Itacom. Exchanges are to be supplied to Mozambique and Guatemala, with the help of concessionary financing from the Italian Government, and Itacom has also secured a small contract to supply equipment to Albania, though some components may have to be changed so as not to fall foul of restrictions on western high technology sales to East European bloc countries.

Manufacturing digital ex-

changes requires only one fifth of the manpower and one tenth of the space that was needed for the old electro-mechanical types. As if that did not pose enough restructuring problems for the new management of Italtel, which took over under Sra Bellisario in 1981, Italtel's labour force had been grotesquely inflated in the 1970s.

Between 1968 and 1979, Italtel (then operating under the name SIT-Siemens) more



Sra Marisa Bellisario: Has had to deal with many peculiarly Italian problems

than trebled its workforce — from 8,000 to 30,000 even though demand was falling in the latter years as SIP cut back its orders. The Italtel plants became highly inefficient and were riddled with absenteeism.

Shedding labour is hard in any major company in Italy, but it is especially hard in the state sector. Yet by the end of this year, Italtel will have brought its payroll down to 20,000 people and by 1989, when electromechanical products will have been phased out altogether, it should employ only 15,000. This has been accomplished by offering early retirement, blocking turn-

over and transferring 1,600 employees to SIP.

Even so, Italtel is still obliged for political reasons to manufacture its exchanges in two plants — one in Milan and the other far away at Palermo, in Sicily.

How does Sra Bellisario, who began her career with Olivetti, intend to tackle the problem of there being too many European manufacturers of public switching equipment? "It's no good crying over spilt milk—the fact is that all these different manufacturers exist," she says. "What we can do is to try to make as many as possible of the components and modules of our product compatible with those of other companies, until we gradually work towards a common European system."

In October Italtel agreed with CIT-Alcatel of France to cooperate in developing common "user cards" and other parts of their existing exchanges. The "user card" is the part of the exchange which connects the subscriber to the exchange.

"It represents about half the hardware in an exchange, and about 20 per cent of the value of the exchange as a whole," says Sra Bellisario. "By the 1990s we should be co-operating on more aspects of the exchanges."

Sra Bellisario is hoping to conclude agreements similar to that of CIT-Alcatel with Plessey of the UK and Siemens of West Germany in the next few months. She also wants the Government to tackle the question of the different technical standards between European countries — the reduction of which could help the growth of Italtel's second biggest division, which makes telematic products such as private automatic business exchanges and electronic office equipment. In 1983 this division accounted for 17 per cent of turnover.

Crucial question whether anything short of the breaking down of all national barriers in Europe to the importing of other countries' telephone exchanges will enable the Continent to have a successful and efficient public switching equipment industry. But Sra Bellisario prefers less violent change. "We certainly should have some deregulation in Europe, but not wild deregulation. We don't want to make a present of our market to the U.S. manufacturers."

All of these securities having been sold, this announcement appears as a matter of record only.

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5th December, 1984

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November 1984



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# UK COMPANY NEWS

## Electronics boosts GEC to £332m

General Electric Company's first half profits rose by over 15 per cent from £285m to £332m pre-tax, mainly reflecting an advance made by its main activity, electronic systems and components, and an increase in net interest receivable.

Electronic systems and components contributed £108m against £86m, to the result and interest receivable rose from £56m to £54m, which included an £11m credit adjustment in respect of GEC's foreign currency holdings.

GEC, the fourth largest company in the UK and one of the world's highest manufacturing businesses, had a turnover of £2.43bn (£2.22bn) over the six months to end-September 1984, excluding inter-group sales and associates.

Earnings per share rose by 10 per cent to 6.8p and the interim dividend is being raised from 1.15p to 1.35p. Last year a final 2.3p was paid with a final profit of £577m.

The company's cash mountain (bank deposits, short-term investments and net balances with banks) stood at £1.64bn at the



Mr James Prior, chairman of GEC

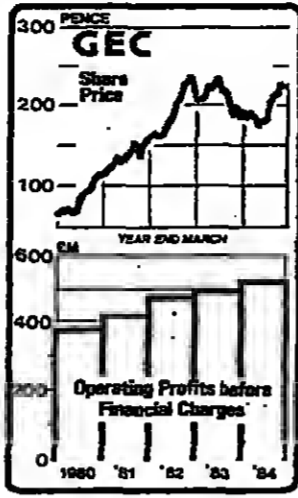
of the increase stemmed from outside the UK. A breakdown of operating profits shows (in £m): UK £172 (£169); rest of Europe £17 (£16); America £43 (£25); Australasia £5 (£7); Asia £5 (£5) and Africa unchanged at £1.

A divisional analysis shows (in £m): electronic systems and components £108 (£86); telecommunication and business systems £40 (£36); automation and control £18 (£22); medical equipment £14 (£13); power generation £26 (£23); electrical equipment £19 (£20); consumer products £11 (£12) and distribution and trading £8 (same).

Associate companies added £11m (£14m), but losses of £8m (£4m) were incurred by other activities—last year's figures included a £2m profit and a £1m loss respectively from associates and subsidiaries sold.

Tax took £24m more at £141m and minorities accounted for £2m (£12m).

The order book at the end of the interim period was 4 per cent higher than six months previously. Orders received were 13 per cent up on the comparable six months last year, with export orders up from £406m to £640m.



Exports from the UK amounted to £258m (£375m).

Mr Arthur Walsh, managing director of the Marine subsidiary, was yesterday made a director of GEC.

See Lex

## Matthew Hall sets £14m target for year

Matthew Hall, the engineering designer and contractor, raised pre-tax profits from £29.6m to £10.54m for the nine months to September 30 1984, and the board says present indications are of a full year figure of around £14m. This would compare with the previous year's record £12.56m.

While competition and related margins remain keen throughout the world, the group has managed to obtain a ceaseable share of available work. The board is raising the interim dividend from 1.275p to 1.38p net—last year's total was 7p net per 25p share.

Turnover for the first nine months edged ahead from £285.6m to £271.6m. Trading profits rose by £0.69m to £6.99m, with oil, gas, chemical and mining up from £2.42m to £3.12m and the mechanical and electrical contribution little changed at £3.56m, against £3.85m. The board reports that the mechanical and electrical sector has again produced good results both in the UK and Australia, and has done well to match the previous year's figures.

The oil, gas and chemical companies in the UK and Holland have achieved the group's expectations. However, the level of activity in the U.S. and Asia-Pacific companies were disappointing in the first half of the year, but are now showing signs of improvement.

Mining operations in the U.S. have also shown a gradual improvement during the period. Stated earnings per share increased from 11.62p to 15.03p.

comment

The modest improvement in pre-tax profits belies the importance of developments at Matthew Hall this year. For in the U.S. the group has got to grips with its biggest problem of recent times—losses at Barnard and Burk, acquired in 1981—reducing the pre-tax profit from £14.6m to 50 per cent on last year. Less dramatic but equally significant, is the continuing strength of the mechanical and electrical business in the UK and Australia, maintaining profits after a very good 1983-84. Unfortunately, this progress has been partially offset by a £7.5m loss in the UK mining engineering business, caused by the NUM strike. But overall the group retains its reputation for enduring soundness—a virtue fully reflected in the share price up to 290p. Assuming full year profits of a little more than the company's £14m pre-tax forecast, and a 50 per cent tax charge, the pre-tax multiple is about 14. At this level, shareholders cannot expect much action until the company's success in winning large orders in the UK, oil and gas industry is followed elsewhere, notably in the U.S. and the Far East. But that is as much a comment on the industries the company serves as on Matthew Hall.

## RHM expands to £51m and well ahead this year

THE FIRST results from divestment and stringent rationalisation measures that have been taken over the last three years are reflected in the record 1983-1984 results of Ranks Hovis McDougall, the milling, bakery and animal feedstuffs group.

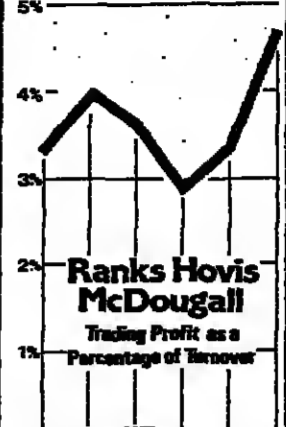
Pre-tax profits for the year to September 1 rose by £7m to £51.1m and external sales, excluding the divested agricultural division, increased from £1.15bn to £1.23bn. At the interim stage, the group reported a 23 per cent reduction in profits from £25.93m to £20.29m.

Mr P. W. J. Reynolds, the chairman, says that in the current year, profits to date are well ahead of 1983 and he expects the half-year results to confirm this improving trend. Further significant improvements are expected to show in 1985 and 1986.

Stated full year earnings per 25p share increased from 10.9p to 12.3p and the dividend total is lifted to 4.385p (£3.97p) net in the form of 2.58p.

comment

British Bakeries, despite a



very competitive market place, reported a further significant increase in trading profits of £7.4m to £37.2m. The agricultural division (sold with effect from September 3 1983) made £8.9m last year. The contribution from associates and other investments fell from £3.6m to £1.2m, but interest payable was virtually halved at £7.3m (£14.2m) mainly as a result of the agricultural disposal.

Attributable profits were ahead (£6.4m) at £24.7m after tax of £14.4m (£12.4m), minorities of £2.1m (£1.1m) and extraordinary debits of £9.9m (£11.9m). These

comment

Yesterday's results indicate that RHM is reducing losses at British Bakeries at a slightly faster rate than the recent £2m a year. However, it is still too early to predict that this running account will be healed by 1985-86; there is no certainty at all that the latest bread price rise will not be beaten up in discounts in a fiercely competitive business. The good result from milling is likely to get better in 1985-86 because of this year's excellent wheat harvest and higher average milling volumes from the full year inclusion of the old Spillers contract. The past six months have been a turnaround in the U.S., while the Pacific continues to grow. At 115p, a multiple of just over 9 does not look out of line.

## Polly Peck tops £50m and sees more growth

CONTINUED GROWTH by its agriculture, food and related industries division over the second six months enabled Polly Peck (Holdings) to lift its profits before tax by £20.56m to £50.56m for the full year to September 1 1984.

Second half profits rose by some £10m to £31.9m.

The division maintained the momentum of its rapid expansion in Turkey by investing in a number of new facilities and by substantially enlarging the local management organisation.

It also doubled its carton requirements and increased growth in the number of external orders.

At the same time the quality of fruit and vegetable production in Turkey and Northern Cyprus, the group's principal operating areas, continued to be good and the division's sales teams were successful in further expanding its markets.

Group turnover for the year advanced from £54.2m to £137.24m.

Polly Peck, chaired by Mr Asil Nadir, the Turkish businessman, is engaged in corrugated cartons and boxes, fruit packing and ladies' clothing. It recently expanded into mineral water bottling and electronic products.

With earnings up from 26.4p to 48.7p per 0.5p share the final dividend is being lifted from an adjusted 3.5p to 2.5p which lifts

the net total by 25 per cent to 3.5p. The directors say, however, that bearing in mind the substantial fixed and working capital requirements their dividend policy must be conservative.

They tell shareholders that current trading in the established and new divisions of the group leads them to be confident of continued progress in the current year.

The first stage of the group's largest new project, the Vestel consumer electronics plant at Manisa, near Izmir, was completed during the year.

The directors expect that this project will make a "significant" contribution to the current year's results.

Following the successful completion of the group's merger with Wearwell, the group's figures contain a full year's contribution from its textile activities with pre-tax profits rising from £5.3m to £5.6m. Wearwell had another steady year of improvement.

Cornell Holdings, a subsidiary of Polly Peck and involved with the group in the Nixsar mineral water bottling plant venture, incurred taxable losses of £22,781 in the year to September 1 (£278,228 for the period January 1, 1983 to September 3, 1983). These figures effectively covered head office costs.



Mr Asil Nadir, chairman of Polly Peck

to August 31, 1984, against £807,000 for the year to December 31, 1983. The group is a wholesale distributor of clothing.

comment

Once again a statement from Polly Peck raises as many questions as it answers. Certainly there can be little quarrel with the bold figures, even though the 68 per cent increase in pre-tax profits fell short of some forecasts. Nor can there be much argument about the apparent strength of the established fruit and packaging business, which has been boosted by a doubling of carton manufacturing capacity. However, virtually no explanation is offered about a very modest increase in profits at the former Wearwell company. But the biggest uncertainty—and the likely cause of a 15p fall in shares to 220p—concerns the prospects of the group's two much-heralded new ventures—the Vestel colour television and VCR factory and the mineral water plant owned jointly with Cornell. Polly Peck has reasons for the delays which have affected both schemes but the result is that shareholders might have expected to see some benefits from these substantial investments in 1983-84 will have to wait. But then Polly Peck shareholders who have been prepared to wait in the past have not been proved wrong and the historic P/E is a mere 4.6.

# Computer not performing as promised? Get in Touche

Computer salesmen are an enthusiastic lot. Which can leave their systems with much to live up to. Not all manage it. In fact, some that were supposed to do everything seem to have trouble doing anything. And it doesn't come cheap.

Of course, the fault can lie with the customer rather than the electronics or the software. A surprising number of companies simply don't know how to get the best out of their systems. Big companies as well as small ones.

If you suspect your computer is not doing all it could or should, we can quickly check out whether you're getting value for money—through TRACE, the Touche Ross Assessment of Computing Effectiveness.

TRACE investigations are carried out by Touche Ross & Co. Management Consultants. Unlike many other organisations in the computer consultancy field, we are wholly independent. Our policy is not to sell software or hardware and we are therefore wholly objective.

A TRACE report will tell you whether your system has the capabilities it's supposed to have; whether you're using its full potential; and how it could be improved to meet your needs—present and future—more effectively.

To find out more, just contact Tony West, the partner responsible for TRACE studies, or return the coupon.

**Touche Ross & Co**  
**The Business Partners**  
Hill House, 1 Little New Street, London EC4A 3TR  
Telephone: 01-353 8011

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To: Tony West, Touche Ross & Co, Management Consultants, Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

I would like to know what a TRACE investigation could achieve for my company and how it would be undertaken.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Tel. No. \_\_\_\_\_ FTS/12

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre. Total	Total for last year
Argyll Group	2.1	Jan 21	1.75	5
Atlas Brake	1.35	Jan 21	1.55	5
Capital & Counties	1.6	Jan 2	1.4	4.7
David Dixon	2.5	Feb 8	2.22	4.5
Equity Consort	3.5	Jan 18	3.15	10.33
F&I Electricals	0.23	Jan 11	0.18*	0.39*
General	1.35	Jan 29	1.5	3.45
Geo/Rovers	0.5	Jan 18	—	—
Hambros	20	Jan 10	15.25	58
Home Brewery	6.8	—	6.8	10.8
Leopold Joseph	1.98	—	1.88	11.25
Leds Group	3.25	—	3	4.5
Matthew Hall	2.5	Jan 13	2.25	7
Mercury Selected	35**	—	30	35
Polly Peck†	2.5	—	1.9†	3.5
RHM	2.76	—	2.45	3.97
Robertson Res.	1.2	Jan 18	—	7.5
R. W. Toothill	5.3	Jan 23	4.5	10†
Trafalgar House	1.4†	Jan 18	0.8	2.8
United Leasing	1.4†	Feb 9	0.75	16

Dividends shown pence per share net except where otherwise stated.  
\* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ US\$ stock. § Unquoted stock. \*\* After adjustment for share subdivision. || On £2 shares (50p paid). \*\* Gross throughout.

### 1984 INTERIM STATEMENT

*"Yet another period of rapid expansion"*

Highlights from unaudited statement of consolidated profits for the six months ended 30th September 1984	Six months ended 30th Sept 1984 £'000	Six months ended 30th Sept 1983 £'000
TURNOVER	29,412	17,708
PROFIT BEFORE TAXATION	2,045	1,287
ATTRIBUTABLE PROFIT	1,583	1,056
EARNINGS PER SHARE	11.0p	8.2p
DIVIDEND PER SHARE	1.4p	0.8p

### EXTRACTS FROM CHAIRMAN'S STATEMENT

44 The further growth of the Information Technology industry continues to provide the base upon which United Leasing plc has experienced yet another period of rapid expansion.

In the six months ended 30th September 1984, profits before tax were £2,045,000, compared with £1,287,000 for the equivalent period last year. Earnings per share were 11.0p compared with 8.2p, and the dividend is being increased by 36 per cent from 0.8p to 1.1p.

In the United Kingdom, the Group has clearly established itself as one of the major distributors of computer and related products. In the large IBM system area we continue to be one of the leading independent suppliers of the complete range of IBM equipment. The acquisition of Sunlock Bondain in September marked our entry into the micro-computer business. Our new company, United Sunlock, will merge Sunlock's proven technical competence with the Group's existing marketing facilities. The result will be a much more powerful entity in this fast growing business.††

**Perry Mitchell**  
Chairman

**United Leasing plc**  
14 Welbeck Street, London W1M 7FF

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

## Lowland Investment Company plc

(Registered in England No. 670489)

**Placing of  
£2,000,000  
11 1/4 per cent. Debenture Stock 2010  
at 98.015 per cent.**

Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be admitted to the Official List.

The Stock will carry interest at the rate of 11 1/4 per cent. per annum which will be payable (less income tax) half-yearly on 1st January and 1st July. The first interest payment will be made on 1st July 1985.

Particulars of the Stock will be circulated in the *Extel Statistical Services* and copies may be obtained during normal business hours on any weekday (Saturdays and Public Holidays excepted) up to and including 19th December, 1984 from:

**Cazenove & Co.,  
12 Tokenhouse Yard  
London, EC2R 7AN.**

5th December, 1984

### Company Notices

#### HILL SAMUEL OVERSEAS FUND - S.I.C.A.V.

Lussembourg, 37 rue Notre-Dame  
R.C. Luxembourg B.B.42

#### Notice of Annual General Meeting

Notice is hereby given that the Annual Meeting of the Shareholders of Hill Samuel Overseas Fund, a S.I.C.A.V. organized under the laws of the Grand-Duchy of Luxembourg (the "Fund"), will be held at the offices of Knechtbank S.A., Luxembourg, 43, Boulevard Royal, Luxembourg, at 2.30 p.m. on December 14th, 1984, specifically, but without limitation, for the following purposes:

- Submission of the reports of the Board of Directors and of the Statutory Auditor.
- Approval of the Balance Sheet and the Profit and Loss Statement and appropriation of the results as at September 30th, 1984.
- Discharge of the Directors and of the Statutory Auditor for the previous period as at their duties for the period ended September 30th, 1984.
- Receipt of sanction on nomination for election of Directors and of the Statutory Auditor for a new statutory term.
- Any other business.

Approval of the Items of the Agenda will require no quorum and the affirmative vote of a majority of the shares present or represented at the Meeting.

Subject to the limitations imposed by law and the Articles of Incorporation of the Fund, each share is entitled to one vote. A Shareholder may act at any Meeting by proxy.

Dated: November 14th, 1984

By order of the Board of Directors



**UK COMPANY NEWS**

# Trafalgar rises 43% on strength of oil and gas

THE FAST expanding oil and gas production side has provided Trafalgar House with £31.37m pre-tax profit in the year ended September 30 1984, and there are plans for further expenditure of £100m mainly in the North Sea, both on and offshore.

This contribution from the oil and gas side is the factor in an increase of 43 per cent in group pre-tax profit for the year, from £78.03m to £113.15m. Shareholders receive their promised dividend of 10p net, the final being 5.3p, against 5.5p. At the year-end their funds had surged by £96.3m to £327.5m.

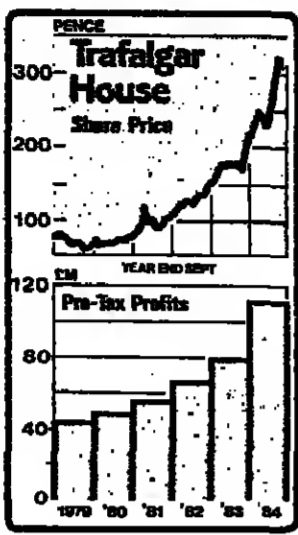
Sir Nigel Brookes, the chairman, makes reference to the cross Channel link. He has high hopes that the group consortium will be the one to build the link goes ahead and he says a decision being made within three months.

"It is either going to start in the next calendar year or it is not going to happen this century. That is my judgement," he declares.

In 1983-84 the group spent £60m on oil and gas interests. It bought some 1 per cent share in the Forties Field and also acquired Candecca Resources and with it a further one half per cent in Forties. The prize attraction in Candecca is its very large, and mainly unexplored, UK offshore acreage from which revenues over the years should increase as Forties income gradually declines.

As well as the North Sea, Sir Nigel says Trafalgar is looking to invest in further production reserves in the U.K. either by buying existing companies or adding further acreage.

Over the next two years he predicts that the profit mix between the group's four main



divisions is likely to be similar to last year. But within five years it is "very likely that oil and gas will be substantially more important."

"The current year is nine weeks old and the group is on target. There is nothing unexpected in either direction," he tells shareholders.

In the year 1983-84 turnover moved up from £1.24bn to £1.61bn, and profit was £124.59m, against £99.19m, before charging interest and finance costs of £11.44m (£10.16m). Shipping, aviation and hotels accounted for £13.76m (£17.65m) with the passenger shipping operations having a moderate year and cargo operations a difficult one.

For the current year Sir Nigel says the passenger side is expected to improve but there is no sign of return for the cargo

side. Trafalgar is still looking with P & O at the possibility of some restructuring of container interests in this country and possible cost savings on passenger shipping operations.

But talks are still "at a very early stage," Sir Nigel stresses. He expects a report on what possible benefits could result next month.

The property and investment side, which now includes house-building, provided £29.96m to profit (£23.99m). The acquisition of Comben in July has taken Trafalgar up to fifth place in the UK housebuilding league. Over the current year its target is to build more than 4,000 homes, the chairman says.

New Ideal Homes had 1,800 completions over the past year and the three months contribution from Comben brought in 600. "Housing had a good year and is going to have another one."

Contracting and engineering maintained its contribution to profits with £47.87m (£47.55m). After tax £28.29m (£18.23m) and minorities £1.33m (£1.08m), the net profit came to £37.4m (£29.73m), for earnings of 30.9p (£24.6p) per share. There is extraordinary income £10.96m (£5.31m), less extraordinary charges £10.55m (£9.63m), preference dividend £80,000 (same), and employee's profit sharing scheme £2.15m (£232,000), leaving the available profit at £21.52m (£24.8m) or 30.1p (£22.6p) per share. The ordinary dividend absorbs £28.31m (£29.57m).

The extraordinary credit represents the profit on the sale of the group's stake in P&O, while the extraordinary charge reflects write downs by Trafalgar on its six fruit carriers.

See Lex

## PHH debut may signal start of U.S. influx

By William Dawkins

PHH Group, a provider of car fleet management and corporate relocation services, is among the first in a cavalcade of U.S. companies expected to join the London stock market before the year is out.

Exel Statistical Services reports that "well over 20" American groups have ordered Exel cards—financial summaries required by the Stock Exchange—in preparation for a UK quotation for their shares before the end of the year. It is believed that most of them have timed their UK quotations to beat the introduction of more costly and onerous listing requirements by the European Community as from next January 1.

Mr Jerome Geckle, PHH's chairman, said the new EEC

## Bids & deals and more company news on Pages 26, 27

regulations were a determining factor behind the timing of the UK flotation. Dealings are expected to commence today.

More importantly, he pointed out that 10-12 per cent of PHH's equity, which is currently valued at about \$380m (£217m) on the New York Stock Exchange, is already held by British shareholders and that the group plans to double or triple the size of its UK operations within the next few years. PHH is not raising any new equity capital.

Last month, PHH reported that net income had risen by 11 per cent to £19.3m in the first six months to October on revenues up by 15 per cent to £304m. Roughly 10 per cent of turnover derives from the UK, where PHH has been established since 1972, and Mr Geckle aims ultimately to increase that proportion to 25 per cent.

## United Leasing passes £2m

A £783,000 lift in first half pre-tax profits has been achieved by United Leasing, which is involved in computers, and the company is confident that its "exciting growth and development" will continue to please shareholders.

The second half has started strongly, says the chairman, Mr Parry Mitchell, and is expected to contribute the bulk of the year's profits following the pattern recently experienced. Profit for the six months ended September 30 1984 was £2.05m (£1.28m), while the second half of last year produced £2.41m. The current interim dividend is raised from 0.8p to 1.4p net—the 1983-84 final was 2p—United Leasing has close company status.

Mr Mitchell says that in the UK the group "has clearly established itself" as one of the major distributors of computers and related products, and a few months ago entered the micro-computer business with the purchase of Sunlock Bondain.

In America, the Unilease Computer subsidiary has continued to make a major impact in that market place. September was very successful, and the business being done will result in a signi-

## FKI up 60% and confident

WITH BOTH turnover and pre-tax profits showing midway increases approaching 60 per cent, Mr Tony Garland, the chairman of FKI Electricals, confidently expects the group to have another record year.

The figures for the 27-week period to October 5 1984 disclose profits before tax up from £961,000 to £1.51m on turnover which rose by over £1m to £3.32m (£2.45m) for 26 weeks. The last full period saw profits rise for the 11th successive year to reach £2.26m on sales totalling £10.7m. The group is

## Rex Williams looks for £0.9m from USM placing

BY WILLIAM DAWKINS

Rex Williams Leisure, a West Midlands operator of snooker and pool tables and maker of the coin-operated pool tables, yesterday announced details of its quotation on the USM.

Stockbrokers Margetts & Addenbrooke are placing 4.96m shares, 85 per cent of the enlarged equity, at 20p each. That includes 1.92m new shares to raise £274,000 after expenses for the company. The directors are selling the balance of just over 3m shares, valued at £396,000 at the placing price.

Rex Williams's customers include national, local and independent brewers as well as free trade outlets. Revenue derives from a share of the tables' operating income or from hire charges.

By the end of last month, the group had 1,091 tables on site in the north, Midlands and South

Wales, controlled from three regional offices. Losses rose from £7,000 to £51,000 in the year to September 1983, largely attributable to an increase in VAT charges. The group made a £92,000 taxable profit in 1983, slipping to £87,000 in the following year, but recovering to £91,000 in 1984.

The directors estimate that taxable profits reached about £108,000 in the year to last month, which puts the placing price on an average multiple of 10.83 after a 20p tax charge. A 30 per cent tax rate is anticipated in the current year, said 0.91p net dividend is forecast for the current year to next November, which gives a 6.5 per cent yield, covered 2.01 times by historic estimated earnings.

Rex Williams is capitalised at £1.8m at the placing price. Dealings are expected to commence on December 11.

## Hambros little changed at interim stage

The banking and non-banking results of Hambros for the half year to September 30, 1984 were broadly in line with the comparable period in the previous year.

Non-banking activities were adversely affected by continuing losses in Hambros Gas and Oil Inc.

The interim dividend on the £2 shares (50p aid) is being stepped up from 15.25p to 20p net, the increase being primarily to reduce disparity between the interim and final.

The group's remaining investment in Hambros Life Assurance was sold to Colchester House J. Rothschild earlier in the year. The net profit after tax of £71.3m will be treated as an extraordinary item for the year.

Helenus & General Trust, a Hambros subsidiary, returned pre-tax profits of £589,000 (£667,000) for the six months to end-September 1984.

**David Dixon Group plc**

	Half Year	1984	1983
	£000's	£000's	£000's
Turnover	7478	7428	
Group Profit	361	107	
Net Profit after tax	282	84	
Earnings per share	15.14p	4.52p	
Proposed interim ordinary dividend	2.50p	2.22p	

**Profits trebled**

**Dividend covered 6.1 times**

**1984/85 Very good year in prospect**

# Ranks Hovis McDougall profits at £51 million

**\*Increased dividends \*Earnings per share up**

### Final Dividend Increased

The profit for the financial year attributable to the members of the Company is £24.7 million. The directors recommend a final dividend of 2.75p pence per share on the Ordinary shares which represents an increase of 12.5 per cent over last year's final dividend. With the interim dividend already paid, dividends total 4.36p pence per share, absorbing £12,212,000. Together with the related tax credit at the rate of 30 per cent the total dividend is the equivalent of 6.223 pence per share for the year.

### Profits increased by £7 million

The Group's profit before taxation for the financial year to 1 September 1984 was £51.1 million compared with £44.1 million for the previous year. External sales, excluding the agricultural division, increased from £1,180 million to £1,230 million.

The record profits were attributable to a general improvement in the results of most parts of the Group with good increases from our flour milling, packaged cake and grocery activities. British Bakeries, despite a very competitive market place, reported a further significant reduction in its trading loss. Trading profits in the United States were below those of the previous year whereas profits in the Pacific region showed further improvement.

Interest payable for the year was halved mainly as a result of the disposal of the agricultural division at the end of the previous financial year.

### An encouraging outlook

The first results from the divestment and stringent rationalisation measures we have been taking over the last three years are reflected in the profits reported above, and I expect further significant improvements to show in 1985 and 1986.

Our profits to date are well ahead of last year and I expect the results for the half-year to confirm this improving trend.

P W J Reynolds, Chairman

Results in brief	1984	1983
External sales	£1,230m	£1,180m
Profit before taxation	£51.1m	£44.1m
Funds employed	£474m	£465m
Return on funds employed	13.1%	12.6%
Net tangible assets per Ordinary share	92.5p	90.2p
Earnings per Ordinary share	12.3p	10.9p
Dividends per Ordinary share	4.36p	3.974p

# Matthew Hall

Public Limited Company

INTERNATIONAL ENGINEERING DESIGNERS AND CONTRACTORS

## Interim Report

Group results for the nine months to 30 September 1984

	9 months to 30 Sept 84	30 Sept 83	Year to 31 Dec 83
	£000	£000	£000
Turnover	271,203	269,817	361,165
Profit on trading			
Mechanical and electrical	3,859	3,861	5,186
Oil, gas, chemical and mining	3,127	2,420	3,086
	6,986	6,301	8,272
Interest receivable (net)	3,553	3,377	4,590
Profit on ordinary activities before taxation	10,539	9,678	12,862
Taxation charge for the period	(5,401)	(5,707)	(7,060)
Profit on ordinary activities after taxation	5,138	3,971	5,782
Outside shareholders' interests	1	(1)	(2)
Profit before extraordinary item	5,139	3,970	5,780
Extraordinary item - deferred taxation	-	-	(1,877)
Profit attributable to shareholders	5,139	3,970	3,903
Ordinary dividends	461	436	2,383
Earnings per share after taxation	15.03p	11.62p	16.91p

Note: The nine months' results for both years are unaudited. The results for the year 1983 shown above are an abridged version of the audited accounts of that year which have been delivered to the Registrar of Companies; the Report of the Auditors was unaudited.

### Salient Points from the Interim Report to Shareholders

- Group pre-tax profit £10,539m, an increase of 9%.
- Good results from mechanical and electrical sector.
- Oil, gas and chemical UK and Dutch companies have achieved our expectations. Improvement seen in USA and Asia-Pacific. Mining in USA gradually improving but results affected by UK miners' strike.
- Despite keen competition pre-tax profit for full year expected to be around £14m.
- Interim dividend 1.35p per share.

**Matthew Hall PLC**  
Matthew Hall House, 7 Baker Street, London W1M 1AB  
Telephone: 01-535 8384 Telex: 281441

RHM

RHM

RHM

RHM

The 1984 Annual Report will be available from 27 December. If you wish to have a copy please write to: The Secretary, Ranks Hovis McDougall PLC, P.O. Box 178, Alma Road, Windsor, Berks SL4 3ST

BIDS AND DEALS

Waddington's shares rise 23p above BPCC's offer

BY CHARLES BATCHELOR

John Waddington, the printing packaging and games group which is fighting off a £44.2m takeover bid from Mr Robert Maxwell's British Printing and Communications Corporation (BPCC), yesterday launched a strong attack on the financial strength of Mr Maxwell's business.

Waddington, makers of Monopoly and Cluedo, also published unaudited results for the six months to September 30 1984, which showed pre-tax profits had risen 85 per cent to £3.01m and earnings per share 50 per cent higher at 32.3p.

The company is paying an interim dividend of 12p (7.5p) and plans to recommend a final dividend of not less than 12p making a total of at least 24p compared with 16p last year.

These figures helped Waddington's shares climb 23p to 52.5p.

their highest level for more than a week and comfortably above the 500p level of BPCC's cash offer. BPCC's shares fell 3p to 16.5p.

Mr Victor Watson, Waddington's chairman, and the board attacked BPCC's claim that the "substantial resources" of its parent company, Pergamon Group, would be available to Waddington if the bid succeeded. BPCC had indebtedness of £86.3m at November 5, only slightly less than at December 31 1983, despite the disguised rights issue carried out in the form of the acquisition of Bishopsgate Trust with net assets of £49m, and the subsequent sale of its investment portfolios for £45m.

If the bid was successful then BPCC's debt would represent some 115 per cent of its shareholders' funds, Waddington added. It also calculated Pergamon

Group's net assets, excluding BPCC, as worth only £15m at December 31 1983. Since then, Waddington said, BPCC had made acquisitions costing £15m, most of them settled in cash.

"Pergamon's substance therefore looks considerably more slender than BPCC's," Waddington said and added that "if the BPCC offer were to succeed it is probable that Waddington's would have to fight for a share of the ever more thinly spread resources of the Pergamon Group."

The company said it feared that it might be dismembered and that management morale could collapse.

Mr Maxwell dismissed the Waddington comments as irrelevant and said Waddington shareholders should ask themselves what their share price would be if the bid were defeated.

Arenson in profit and selling loss-maker

BY ALEXANDER NICOLL

Arenson Group, office furniture manufacturer, yesterday reported a return to profit and disclosed that it was negotiating the sale of loss-making bedroom furniture subsidiary.

Although the group had pre-tax profits of £360,000 in the year ended July 31 against a year-ago loss of £644,000, the Roomsets bedroom subsidiary had a loss of £95,000.

Arenson is buying for a nominal sum the 24 per cent stake in Roomsets still held by Mr Peter Kaye and Mr Charles Walford, who were appointed to the Arenson board last year when the company entered the bedroom furniture business. The two men are resigning as Arenson directors, receiving £15,000 each in cash, and selling the 6.4 per cent stake they each hold in the company.

Their holdings, together with shares held by associates, have been acquired at 25p each by Mr Archy Arenson, the chairman. Mr John Sacks, another director, who was appointed to the board last year, is selling his 18.99 per cent and Mr Sacks' 6.5 per cent.

Mr Arenson said yesterday that the Roomsets marketing concept — involving customisation and installation of furniture — had misfired and that the group was focusing on its office business.

Arenson is still paying no dividend but said its borrowings had been cut by £1.45m to £3.6m and stocks at cost by £9.7m to £4.8m. Turnover fell slightly to £15.1m from £15.76m, but the manufacture of office furniture and equipment showed an 18 per cent rise.

Profit after tax was at £350,000 against a loss in the previous year of £1.52m after a £59,000 extraordinary charge in that year. Undiluted earnings per share were 2.81p (loss 2.25p) and fully diluted 2.76p (loss 3.72p).

Former Asda chief withdraws from Cullen's auction

BY ALEXANDER NICOLL

MR JOHN FLETCHER, former Asda stores chief, yesterday pulled out of the bidding for Cullen's Stores and held talks with the two consortiums left in the auction.

A decision to commit his Cullen's shares—10 per cent of the non-voting and 20 per cent of the voting—would virtually ensure victory for either of the two rivals: a team of three former Imperial Group executives led by Mr Peter Matthews and a company owned by Mr Lew Cartier and Mr David Cullen. Each commands over a third of Cullen's voting equity.

Cullen's shares prices dropped yesterday after the withdrawal of Mr Fletcher's offer, which was the lowest of the three after successive increases by the competing bidders. The voting shares rose 25p to 45p and the non-voting 20p to 35p.

Mr Cartier, a former supermarket chief who has teamed up with Mr David Cullen, a former director of the grocery and office chain, is offering a 480p cash alternative for the voting shares and 345p for the non-voting.

Mr Matthews' team is offering 440p and 340p respectively. They plan to turn Cullen's into a chain of convenience stores, while Mr Cartier wants to develop a supermarket chain based on the 10 largest stores in the Cullen's group, as well as a chain of off-licences.

Mr Fletcher's advisers, Charterhouse Japhet, were yesterday giving no indication of how long it would take for a decision to come on his holding. But all sides have recognised the need for a swift resolution of the auction because of Cullen's rapidly deteriorating financial position.

Geevor slumps but holds interim

BY GEORGE MILLING STANLEY

NET PROFITS of the Cornish tin producer Geevor Tin Mines for the half-year in September 30 showed a sharp decline but the interim dividend has been maintained at 4p per share.

Pre-tax profits of £324,000, down from £601,000 in the first half of last year, were hit by increased operating costs and higher charges for depreciation and exploration.

Depreciation rose from £294,000 to £330,000, and the company's exploration spending jumped from £13,000 to £37,000, with the bulk of the funds spent on the continuing programme of the mine's No. 6 level (the Great Wheel Carve project) and the offshore spectrometric survey which is being carried out in conjunction with the British Geological Survey.

The tax charge was also well up on the figure for the corresponding period of last year at £148,000 against £20,000, although Mr K. Gilbert, Geevor's managing director, said yesterday that the figure for last year had been adjusted in line with a similar adjustment to the figure for the whole of this year.

This left net profits at £178,000.

down from £321,000 last time, giving earnings of 6p per share compared with 17.5p.

Mr Gilbert added that the company was unable to derive the benefit of the rise in the tin price in sterling terms, which was consequent on the fall in the pound, because of the policy of forward sales.

Nevertheless, Geevor intends to continue with the policy, believing that as a small mining company it must protect itself against any substantial fall in the tin price, even at the cost of not benefiting fully from any increases.

Mr Gilbert said that at the end of the period a further 750 tonnes of tin had been sold forward for settlement over the following 10 months at an average price of £2,090 per tonne. This is around £500 per tonne less than the current cash price.

The rise in operating costs was exacerbated by considerably higher charges for the treatment of Geevor's production of concentrates. Mr Gilbert pointed out that there had been an increase of something like £100 per tonne in smelting charges over the past 12 months.

Charges were also adversely affected by a decline in the price of the company's concentrates.

The shares fell 10p to 20.5p in London after the announcement.

Palma to close sock-making subsidiary

BY ALEXANDER NICOLL

Palma Group, formed late last year through the merger of two Leicester knitwear manufacturers, is to close a sock-making subsidiary with the loss of 160 jobs.

Trading losses and closure costs of the subsidiary, Five Ways Manufacturing, will be taken as a write-off and will result in a pre-tax loss for Palma in the

year ending December 31, 1984. In 1983, it had a trading profit of £507,000 on turnover of £21.5m.

Despite the 1984 loss, Palma plans to pay a 2p net dividend. It said all its subsidiaries will be trading profitably after the closure and it is confident of satisfactory profits in 1985.

Five Ways was part of the loss-making Montfort Group, acquired

through a reverse takeover by Palma, then a private company.

Mr Peter Bailey, Palma chairman, said yesterday that Five Ways had lacked management and investment. Strenuous efforts had been made to reverse its losses, but: "We reached the decision that to continue with it any longer would be too debilitating and too diverting."

Advisers in talks over final bid for East Lancs

BY ALEXANDER NICOLL

ADVISERS to British Syphon Industries and East Lancashire Paper Group were holding talks yesterday on the £3.45m final bid made by BSI for the paper group last week.

East Lancs had resisted the bid from BSI, a drinks dispensing equipment maker headed by Mr Bryan Morrall, when it was first made and then increased. But it has so far made no public response to the second and third increases in the offer, both announced last week.

A joint statement yesterday said the two companies, Barclays Merchant Bank for East Lancs and the English Association for BSI, may lead to a recommendation of the offer by East Lancs to its shareholders.

G. M. Firth, a diversified holding company headed by Mr Ian Wasserman, has built up a 13.3 per cent stake in East Lancs through market purchases. Another mystery party approached East Lancs last week but talks on a possible offer came to nothing.

Mr Firth's advisers, Charterhouse Japhet, were yesterday offering six of its own shares, which ended unchanged yesterday at 84p, for five East Lancs shares, valuing each East Lancs share at 101p, the same as yesterday's closing price. There is a 100p cash alternative as well as a loan note option.

25% of black workforce on strike at Rietspruit

ALMOST HALF of the black workforce due to go on shift yesterday morning at the Rietspruit open cast colliery in South Africa's Transvaal region came out on strike in support of a longstanding wage dispute, reports Jim Jones in Johannesburg. Some 250 of the 558 men due to start work were affected.

Rietspruit, a jointly-owned venture between Shell South Africa and Transvaal Consolidated Lead and Exploration (the mining arm of the Barlow Rand Group) employs a total of 1,000 black workers. The mine exports 5m tonnes of coal a year.

The dispute has its roots in the annual round of wage negotiations in June, when the emerging black National Union of Mineworkers demanded an effective 60 per cent increase in the package of wages and benefits.

The management countered this with an offer of an increase of 11.3 per cent, and the dispute was referred to a conciliation board, which failed to settle the differences between the two sides.

The NUIM declared a formal dispute with Rietspruit on September 10, and followed this with a strike ballot on September 23, when almost 60 per cent of the workforce voted in favour of strike action in support of the wage claim.

Rietspruit's management said yesterday that production had not been affected by the strike, and added that it had no intention of increasing its last pay offer.

The black union, which is at present playing host to representatives of the British National Union of Mineworkers, has accused the management of being "unyielding" and warned that protracted strike action will occur if necessary to uphold the wage claim.

Unlike those employed by the bulk of other mines in South Africa, Rietspruit's workers are not migrant labourers but are housed permanently with their families on the mine property.

According to the management, wages levels at Rietspruit are significantly higher than at other comparable collieries.

Nonoc repairs

Repairs at the nickel mine and refinery of Nonoc Mining and Industrial at Mindanao Island in the southern Philippines have been completed following the damage caused by a typhoon in September, reports Leo Gamagang from Manila.

Chloride Group has reached agreement whereby it will take over full ownership of Chloride Holdings of South Africa over a period not exceeding seven years for a total of £12.5m, payable in stages.

The joint ownership will equate to the net asset value of its yesterday that production had not been affected by the strike, and added that it had no intention of increasing its last pay offer.

BIDS AND DEALS IN BRIEF

D. J. Lewis, a director of Hampton Trust, purchased 15,000 shares, bringing his beneficial interest to 1,736,922 (6.6 per cent). J. N. Davis, also a director, bought 5,000 shares, increasing his beneficial interest to 341,000 (1.3 per cent). Molyneux Securities (Cambridge), a company controlled by the family interests of the aforementioned, purchased 30,000 shares, bringing their joint beneficial interest to 4,555,000 shares (17.4 per cent).

Yelverton Investments has purchased 125,000. Southend Stadium ordinary shares, and with its associate holds 133m shares (26 per cent) of the ordinary and 25.7 per cent of voting.

The Mutual Shares Corporation acquired 100,000 shares in Winterbottom Energy Trust, altering total holding to 1,225,000 shares (5.10 per cent).

British Rail Pensions Trustee Company, in its role as trustee to various railway pension funds, now holds a total of 23,464,962 ordinary shares in Sterling Guarantee Trust.

Crown International Productions has disposed of 276,000 shares in MME Facilities and now holds 20 per cent of the

capital. Enterprise Television has acquired a further 235,000 shares and holds 29.7 per cent.

John Sismore and Co has increased its holding to a total of 91,580 ordinary of Moran Tea Holdings. This represents 20.27 per cent.

BET has made an offer to acquire the publicly-held minority in its smallest investment trust subsidiary—the National Electric Construction—by a scheme of arrangements. The offer values the minority at £157,000.

BET already owns all the ordinary shares and 66.9 per cent of the 3 per cent (now 3.5 per cent plus tax credit) cumulative redeemable preference shares and is to offer 90p per share for the remainder.

Scottish Offshore, the equity investment fund managed by James Finlay Corporation, sold its entire shareholding in Ramco (20 per cent) in order to satisfy the cash requirements of the fund. The shares have been placed with clients of Grieg Middleton & Co and Rowe & Pitman.

As a result of the changes in the rate of capital allowances and corporation tax, announced in the Finance Act, the board of Scottish Metropolitan Property has decided not to write any new leases of equipment to third parties.

Since the publication of the accounts, negotiations have been entered into and now concluded for the sale of the leasing subsidiary for a cash sum of £3.25m. This represents the agreed present value of lease rentals receivable and which, after adjusting for the deferred tax provision of approximately £2m no longer required for this purpose, results in £3.25m of additional working capital being released for the expansion of the property portfolio and adds around £0.5m to net assets.

ICI New Zealand has purchased the 30 per cent stake in UPEC Industries previously held by IMI for an undisclosed cash

sum. The acquisition gives ICI New Zealand 100 per cent of UPEC Industries, a manufacturer of plastic pipe and film.

London and Continental Advertising Holdings has received acceptances to its recommended cash offer for Bedford Foster Service. In respect of 20,415 ordinary shares (95 per cent) and 2,020 preference shares (94 per cent).

The offer has been declared unconditional and although the company is in a position to acquire compulsorily the outstanding shares, it has extended the offer until December 17 to give the remaining shareholders the opportunity to accept the offer.

The total cash consideration, assuming the cash offer is accepted in full, will be £215,900.

Ushborne and Son (London) has increased its holding in Feedex Agricultural Industries to 3.47m shares (25.07 per cent).

**\$50,000,000**

**Charter Oil Eastern Corporation**

a subsidiary of

**The Charter Company**

and an affiliate of

**Charter Oil (U.K.) Ltd.**

**Letter of Credit Facility**

The undersigned acted as financial advisor to  
The Charter Company.

**Lehman Brothers**  
Shearson Lehman American Express Inc.

November 2, 1984

*This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.*

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Aktiengesellschaft  
*(Incorporated with limited liability in Austria)*

**U.S. \$75,000,000**  
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Citicorp Capital Markets Group	Bank of Tokyo International Limited
Lehman Brothers International (Shearson Lehman / American Express Inc.)	Manufacturers Hanover Limited
Mitsui Finance International Limited	Mitsui Trust Bank (Europe) S.A.
Morgan Stanley International	Morgan Guaranty Ltd
Nippon Credit International (HK) Ltd.	The National Bank of Kuwait S.A.K.
Saudi International Bank (Al-Bank Al-Saudi Al-Ahram Limited)	Sumitomo Trust International Limited
S. G. Warburg & Co. Ltd.	Takagin International Bank (Europe) S.A.
	Yokohama Asia Limited
	Sanwa International Limited

The issue price of the Notes is 100 per cent. The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Note. Interest on the Notes will be payable semi-annually in arrears in June and December of each year, commencing in June, 1985. Full particulars of the Issuer and the Notes are available in the Exrel Statistical Service and may be obtained during the usual business hours up to and including 19th December, 1984 from:—

Kidder, Peabody International 107 Cheapside London EC2V 6DD	Cazenove & Co. 12 Tokenhouse Yard London EC3R 7AN
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10th December, 1984

*This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.*

**REX WILLIAMS Leisure PLC**

*(Incorporated in England under the Companies Act 1948 to 1967, Registered Number 1162973)*

The principal activities of Rex Williams Leisure plc are the provision to the licensed trade of a complete pool and snooker operational service, together with the manufacture of coin-operated pool tables.

Authorised	Issued and fully paid
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Ordinary shares of 5p each	450,000

In connection with the placing of 4,960,000 Ordinary Shares of 5p each at 20p per share by Margets & Addenbrooke, application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the issued share capital of Rex Williams Leisure plc in the Unlisted Securities Market. A proportion of the shares being placed is available to the public through the market. It is emphasized that no application has been made for these securities to be admitted to listing.

Particulars relating to the Company are available in the Exrel Unlisted Securities Market Service and copies of the Prospectus may be obtained during usual business hours (Saturdays and public holidays excepted) up to and including December 21st 1984, from:

65 London Wall, London EC2M 5TU

**MARGETS & ADDENBROOKE**

York House, 38 Great Charles Street, Queensway, Birmingham B3 3JU.

**U**

**YEAR'S RESULTS TO 29th SEPTEMBER 1984**

Pre-Tax Profit increased by 143% to £2.025 million on Turnover of £19.5 million.

Total Ordinary Dividend increased by 9% to 6.25p. per share.

"All companies contributed to the improved profits, and the Group looks forward to the coming year with confidence."

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Edinburgh · Scotland  
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**"Further Growth in Value of Property Portfolio."**

*Main points from the Report for the year ended 15th August, 1984, and the Statement by the Chairman, Mr. David Walton, C.S.J. JP Hon FRCS (Glasg.)*

- \* Increase in Net Revenue from Properties to £7.1m (£6.9m)
- \* Dividend payment increased to 3.75p net per share (3.5p)
- \* Internal property valuation at 15th August 1984 amounted to £118.7m, producing a surplus of £7.87m.
- \* Net assets per Share have risen to 110p per share.
- \* New investment and development activity will continue in areas where full potential can be exploited.

Stock Exchange House, 69 St. George's Place, Glasgow G2 1BE.



28  
**TECHNOLOGY**

MASSACHUSETTS SPENDS \$40M ON ENCOURAGING BIOTECHNOLOGY

**Ideas grow in science parks**

BY PETER MARSH

ACADEMIC and business interests in Massachusetts are combining to set up a \$40m research park designed to make it easier for researchers in biotechnology to bring their ideas to the market place.

Staff at the park will also sign agreements with companies in other areas of industry that give these enterprises a "window" on research at the park that could help them to develop new products and processes.

Companies that could be aided in this way could come from a broad cross section of commerce which includes food-processing, materials and chemical engineering.

Even at this relatively late stage in the development of biotechnology enterprises in the U.S. (Massachusetts alone boasts 80 such organisations), fledgling companies in this area need managerial and financial help to sustain growth, according to the park's backers.

The park will assist small companies involved in a range of hiotechnical and medical technologies. Such enterprises could produce, for instance, laboratory instruments, artificial organs for the human body or new strains of monoclonal antibodies to treat diseases.

Equipment at the park will also be available to other areas of industry, for instance materials companies which could use research hardware for non-destructive testing.

The Massachusetts Biotechnology Research Park will be built on land next to the University of Massachusetts medical centre in Worcester. It will provide R&D facilities that the small companies can share.

Staff at the park will liaise between the biotechnology concerns and organisations such as venture-capital groups and accountants.

In a further move, companies in other areas of industry will, in exchange for a fee, gain access to the ideas from academic research groups represented at the park.

Norton, an international company which makes adhesives and grinding wheels and is based in Worcester, is the first to conclude such an agreement. The organisation is interested in work in biotechnology, for example in chemicals or instrumentation, that could be applied in its own products.

To give companies access to academic technologies in this way has begun to catch on in



Science parks were invented in the U.S. Many are in existence but a new one is planned in Massachusetts

Britain. Surrey University has arranged deals with five companies that permit these groups to assess for its commercial potential research at the institution.

Dr Laurence Berlowitz, executive director of the Massachusetts park, said that researchers with good ideas in biotechnology often found it hard to bring these to the commercial stage. Speaking at a recent technology-transfer exhibition in Brighton, Dr Berlowitz said that many enterprises started in the past few years were "stuttering along" and needed technical and managerial assistance.

As a result of unhappy experiences in supporting technical initiatives, venture-capital groups are also being more careful when considering new investments, according to Dr Berlowitz, a geneticist-turned-administrator who has worked for the U.S. Government's National Science Foundation and National Institutes of Health.

"I know of several companies formed in the past few years which are anxious to move into the park because they need extra support. Some of them are doing things that are not

in their best interests—bringing out products before they are ready for example—because they are under pressure from their investors."

Building work on the first phase of the park will start in the spring. It should be finished in about 15 months at an estimated cost of \$15m. The first phase will have three parts:

● A centre for imaging with nuclear-magnetic radiation (NMR). In NMR, atoms are subjected to a magnetic field which perturbs them in a specific way. When the field is turned off, the atoms return to their original state. This is accompanied by emission of electromagnetic radiation which (processed by a computer) provides information about the material.

In the centre, researchers will use hardware on a shared basis, for example to examine animal tissue or to try out ideas for new instruments. The equipment will also be available to materials companies which may find it useful in detecting cracks in metals and other substances.

● A "mind factory" for biotechnology processing. The research park aims to provide hardware, for instance for fermentation or purification, with

which fledgling groups can produce small versions of chemicals as a prelude to full-scale manufacturing. John Brown, the British manufacturer of processing equipment, is talking to the research park about becoming involved. The company could, for example, run this part of the park on a contract basis as a mechanism for becoming acquainted with emerging hiotechnological groups in the U.S.

● Business units for small companies. The park aims to provide 40,000 sq ft of laboratory and office space, to be let to up to 20 small companies. Staff at the park will vet proposals from these companies, for instance for an extra injection of finance, before passing on the details to venture-capital groups. Arthur Young, the accountancy firm, has agreed to give its services free of charge to the small enterprises.

The park is to be managed by the Worcester Business Development Corporation, an organisation backed by private-sector interests. Cash for the park has been provided from several sources such as academic institutions, private companies and the state of Massachusetts.

**Apex of the pyramid for software profession**

THE REAL professionals of personal computing are systems analysts and programmers, the people who decide how a computer should tackle a problem and write the instructions which enable it to do so.

The biggest change for these two elite groups in the past 20 years has been the move from off-line to on-line programming. In the 1950s and 1960s, programmers wrote lists of computer instructions on coding sheets which were subsequently fed to the central computer by data preparation staff.

Then, with lower hardware prices and better technology—especially time-sharing techniques—programmers were able to communicate directly with the mainframe, preparing and testing their programmes in real time.

These techniques made it seem to the programmer that the entire resources of a firm mainframe were at his or her disposal. It is no surprise, therefore, that many professionals were appalled and dismayed by the appearance of the personal computer. They despised its lack of power and feared that it would lead to a kind of soft-discipline where professional disciplines were abandoned in the rush to exploit the new personal computing power.

The best professional personal computer, they reckoned, was a high-performance mini, serving a group of programmers and giving them access to a common database and common software engineering tools.

Which is one reason why there is still a sound market for what are known as "scientific minis" in the academic and research sectors. The market is even sounder if the computer uses Unix as its operating system. Unix is very much the operating system of the moment because of the facilities and ease of use it offers the professional programmer working with the larger (16- and 32-bit) microcomputers, but it was written originally for mini-computers.

Mr Edward Dolinar, president of Pyramid, a Mountain View, California, company established to exploit this market, the high end of the Unix phenomenon, reckons its worth as \$3bn by 1987.

Pyramid and other companies

like Masscomp of Massachusetts, have identified the need in the university, government and research areas for complete and integrated packages of Unix hardware and software.

As Mr Dolinar points out: "In the past, a customer had to go to Digital Equipment (DEC) for the hardware, then to AT and T for a Unix licence (Unix was written at Bell Laboratories). He would then have to go to Berkeley for a high-performance version of Unix, BSD 4.2. Finally, he would probably need a system integrator to put the whole thing together."

"We saw there would be advantages in offering the whole kit in one attractive package," Dolinar says.

Pyramid, with revenues of \$12m last year, is not in the league of, say, Compaq, the

First, the fact that the machine is dedicated to working in Unix. It uses what is called a "reduced instruction set," the basic operation of the computer honed and fine tuned to give maximum performance.

Second, it is designed to work equally well with the two most popular versions of Unix—4.2 from BSD and System V from AT & T.

According to Mr Dolinar it would be possible for some 40-60 programmers to be working simultaneously on separate programmes at separate workstations attached to a Pyramid system. Some could use 4.2, others the System V without interference and without degradation in performance.

This kind of facility is important in the Unix market. The Masscomp system for example, designed exclusively for scientific and technical customers is based on System V but is 4.2 compatible.

Masscomp's customers include IBM, Ford and Nasa. Pyramid's include Lockheed, Hughes Aircraft and TRW but it is well aware of the value of the commercial sector as opposed to the purely technical. One of its biggest clients is the U.S. legal firm, Davis Polk Wardwell which carries out all its business, filing, word processing, accounting, on eight Pyramid systems.

In personal computing, the wheel is beginning to turn full circle. First, there was time-sharing, then stand alone personal computing and now the buzz-phrase is "diskless workstations" personal computers which have no need of secondary storage in the form of hard or floppy magnetic disks because they are connected directly to a powerful host computer.

It would act as an information store and provider of raw processing power as well as a powerful memory. The Pyramid and Masscomp computers are reckoned to be several times as powerful as the top end of the DEC VAX range, the usual measure for a super-minicomputer.

How long before even that level of power can be provided to a single box on the desk and the wheel will start to turn all over again?

**Professional Personal Computing**

Pyramid and other companies have identified the need for complete and integrated packages of Unix hardware and software

BY ALAN CANE

fastest-growing start-up in U.S. business history, but it has \$27m in investment capital, 68 customers in the U.S. and it looks highly likely one of its first sales in Europe will be to Imperial Software, one of the UK's top software engineering companies. Mr James Feeny, Imperial Software managing director said this week: "Our next machine will be a Pyramid and we hope to place the order soon."

Imperial Software is, in fact, an ideal customer for Pyramid with its teams of professionals working on better ways of creating software.

What would make the Pyramid a good buy for Imperial?

Complete protection from corrosion and moisture damage  
John S. Bass and Co. Ltd.  
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**Chemicals Coatings plant**

FERRO (Great Britain) the U.S.-based supplier of specialty coatings and chemicals, is setting up a new plant at Wombourne near Wolverhampton, to make and market the Vedco range of organic dry powder coatings which to date the group has manufactured mainly in the U.S. and Germany.

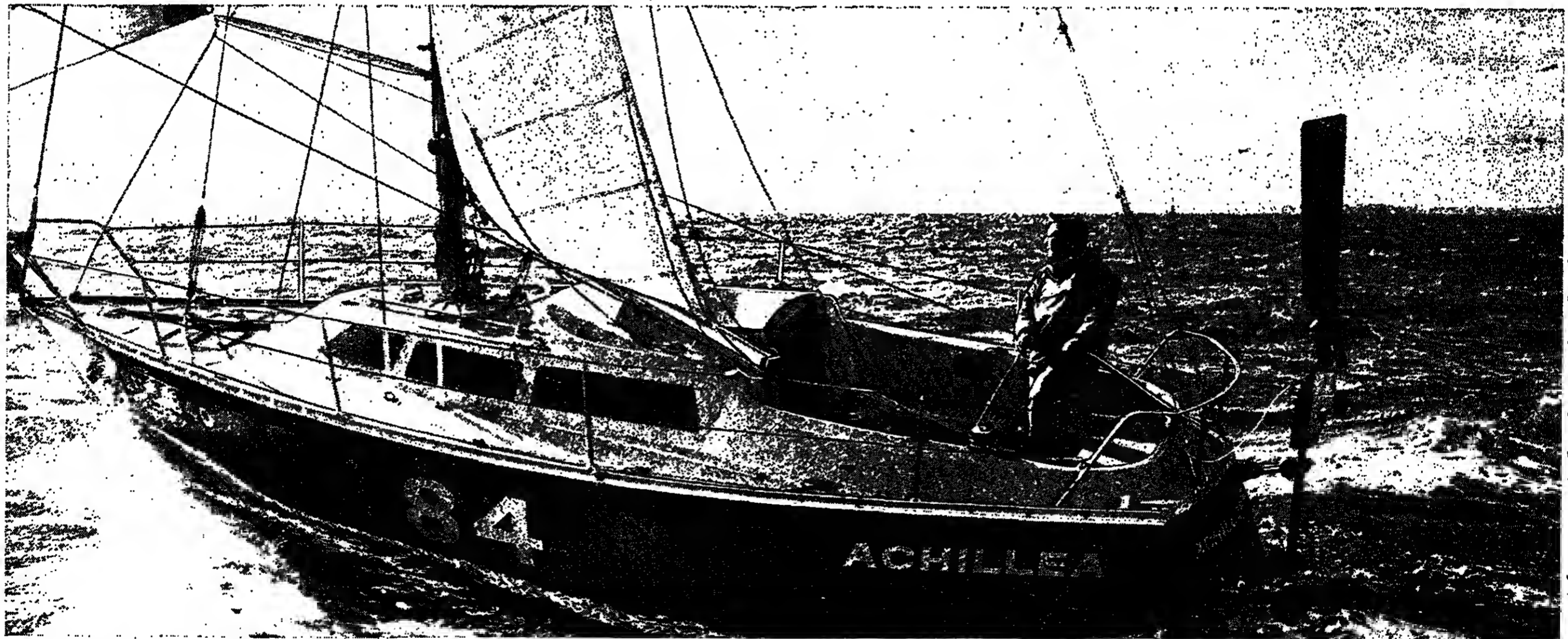
About £1m is being spent on the first phase of the plant construction and starting in 1985, the annual production rate will be 2000 tonnes, a figure that is expected to double by 1987. The company says it seeks some 20 per cent of the UK powder coatings market, which amounts to over £25m.

Applied by electrostatic methods and baked on, the Vedco materials are aimed at the vehicle and consumer goods industries and offer an energy efficient and solvent-free alternative to liquid paints. They include epoxy, polyurethanes, polyester and acrylic materials. More on 0902 894144.

**Construction Discovering defects**

ERA Technology is working on ultrasonic techniques to detect structural defects in reinforced concrete. The research organisation, working under contract to the Transport and Road Research Laboratory, has identified that, by modifying standard ultrasonic echo detection techniques, it can locate defects in steel tendons buried up to 5 metres within concrete.

New ERA researchers want to develop equipment which will be capable of testing sections of concrete up to 20 metres long. More details from ERA Technology in Leatherhead, Surrey.



**Sailors get wind of the weather from the British Met Office... with help from the proven technologies of Control Data**

One of the loneliest and most arduous sports in the world is single-handed yacht racing. Chris Butler, who builds boats at Swansea in Wales, is winner of the smallest boat class in this year's "Observer" single-handed trans-Atlantic race, and outright winner of the Azores-and-back event. He knows how important it is to have a good weather forecast, both for inshore sailing and when battling alone against ocean storms.

For all sailors, a good forecast of weather and sea conditions is essential. And the British Meteorological Office provides forecasts of unrivalled quality.

Since 1982, a Control Data Cyber 205 supercomputer has produced and interpreted data, using a new forecasting model developed by the British Meteorological Office at Bracknell, near London.

Weather observations from satellites and over 7,000 stations across the world are used to forecast details of pressure, wind and temperature. These forecasts are computed on the Cyber 205 at speeds of up to 400 million operations per second, giving an instant report on changing weather conditions to farmers, pilots—even ice-cream vendors.

In fact, the Cyber 205 works so fast that the large numbers in a five-day global forecast can be produced in less than 20 minutes; and those for the next year in only 12 hours.

The Cyber 205 has provided many other solutions. In petroleum exploration, it helps experts decide on drilling prospects by analysing seismic and geological data. In engineering, it calculates co-ordinates for three-dimensional modelling of advanced structures, such as motor vehicles. And there are applications in nuclear physics and biomedicine.

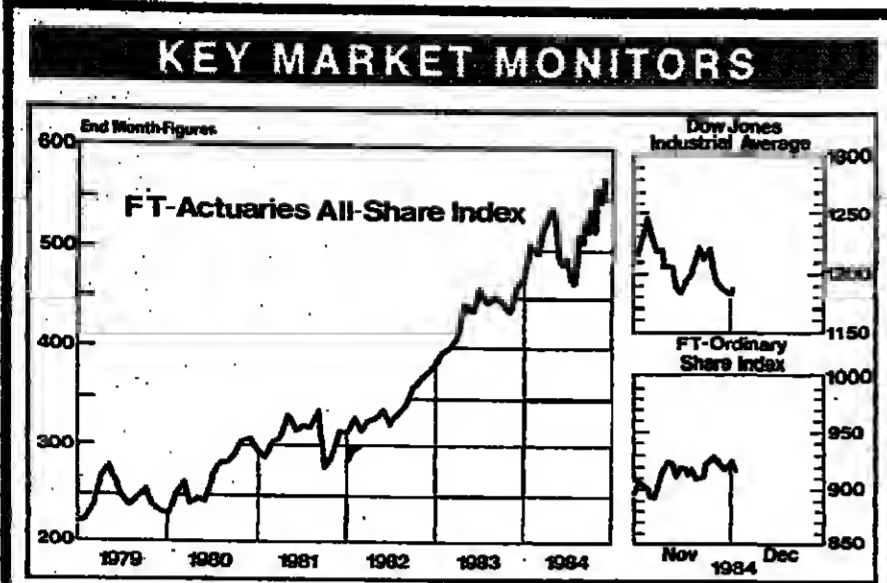
The Cyber 205 is only one of Control Data's remarkable achievements. The company is a world leader in super-computers, and there are smaller systems to bring unique benefits to industry and commerce. It is the world's largest independent supplier of computer peripherals. In the manufacture of magnetic disks and tapes, in industrial skills training and computer-based education, in banking and financial services, and in assistance to small business, Control Data has used its technologies to establish a unique position in the world of high technology.

For further information on Control Data in the U.K. write to Jill Gregory at Control Data Limited, 179-199 Shaftesbury Avenue, London WC2H 8AR or call her on 01-240 3400, extension 3169.

SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Wednesday December 5 1984

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STOCK MARKET INDICES: NEW YORK, LONDON, TOKYO, AUSTRALIA, AUSTRIA, BELGIUM, CANADA, DENMARK, FRANCE, WEST GERMANY, HONG KONG, ITALY, NETHERLANDS, NORWAY, SINGAPORE, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, WORLD. Includes tables for CURRENCIES, INTEREST RATES, U.S. BONDS, FINANCIAL FUTURES, and COMMODITIES.

WALL STREET

Tone turns cautiously brighter

THE PICTURE brightened on Wall Street yesterday although there was little relief from the underlying worries over the progress of the U.S. economy, writes Terry Byland in New York. Across the broad range of the market, the improvement was slight but many blue chips rallied from recent falls that have taken the market down to the lower end of its trading range. The bond market continued to tread water as the debate continued over the next move in Federal Reserve policy. At best, the stock markets showed a gain of more than five points on the Dow scale. Progress, however, was fitful and the final half hour brought some swift profit-taking, to leave the Dow Jones industrial average only a net 2.65 points higher on the day at 1,185.07. Turnover fell away, and the day's total of shares traded dipped to 81.7m. Just after the market closed, the Mesa Petroleum camp announced a bid for Phillips Petroleum. The announcement of a drop in non-defence factory orders and also in car sales failed to upset the stock market. Opinions on the likely trend of interest rates varied, with some analysts worried that last week's news of a sharp jump in M1 money supply might be repeated tomorrow. A resurgence of money supply growth would reduce the chances of a further easing in the Fed's credit grip. Stock prices tried to stage the traditional year-end rally but upward momentum was sluggish. Union Carbide ran into heavy selling, falling a further 5% to \$45 1/2 as Wall Street awaited further details of the disaster at the group's plant in India. Also active again was British Telecom, with nearly 2m ADRs turned over by midday. The price dipped by 3% to \$10 1/2, indicating that sellers were in only a narrow majority. Dealers commented that the stock was still being bought in New York by UK investors. At \$120 1/2, IBM recouped 5% of recent losses. Among the auto stocks, General Motors added 3% to \$75 1/2 and Ford 5% to \$44 1/2, both despite announcing sharply lower sales for the latter part of November. Features included a dip of 1 1/2% to \$22 1/2 in Alexander & Alexander, the insurance group which is buying Reed Stenhouse, the Canadian-based insurer. Stock in Avco, the financial services group facing an offer from Textron, shed 5% of its recent gain to stand at \$48 1/2, while Textron at \$32 1/2 added 5%. Stocks influenced by trading statements included Celco, the vehicle leasing group, 5% off at \$15 1/2 on higher profits. In a still cautious food retailing sector, American Stores added 3% to \$37 1/2 after results. Oils staged a minor recovery from recent weakness. Chevron at \$32 1/2 put on 5% in thin trading. The most active spot, however, was Phillips Petroleum, 3% higher at \$48, with more than half a million shares traded as takeover speculation re-ignited. Kaiser Cement was another to move up on speculative buying, putting on \$1 to \$17 1/2. Tuesday's takeover favourite, however, Allied Stores fell 5% to \$54 on disappointment at the lack of a bid move. Gifford-Hill, the cement manufacturer, gained 1 1/2% to \$25 1/2 after disclosing that several would-be bid suitors had shown interest. A foreign bidder is regarded as likely for Gifford, which is number four in the U.S. industry. In the credit markets short-term

EUROPE

Frankfurt picks its way to peak

A SELECTIVE approach was maintained by European bourse investors yesterday, bringing West German shares to record levels and providing a firmer tone elsewhere, but the pace of dealings was rarely more than moderate and profit-takers were still in evidence. Helping to underpin the Frankfurt advance was the trend to lower German interest rates and good figures released for October industrial output. This helped take the Commerzbank index of 60 leading issues 5.3 higher at 1,102.7 and its 100-share FAZ counterpart up 1.89 to 377.44, each surpassing the peaks set on October 22. Both the amount and the scope of the gains were reduced from the extent seen on Monday, though, and the vehicle and chemical sectors were the only two to see sustained demand. Even there the rises were far from uniform. BMW put on DM 3.50 to DM 375.50 but Porsche reversed DM 7 to DM 1,023.7; Hoechst added DM 1.80 to DM 186.40 while Bayer and BASF could manage only DM 1 apiece to a respective DM 187.8 and DM 177. A dull retail sector showed Herten at DM 184.70 and Karstadt at DM 252.50 each 30 pig weaker, while Kaufhof held at DM 234.50. Analysts viewed Christmas trading expectations as having by now been discounted, with some suggesting that the seasonal consumer spree might not fulfil all hopes. Lufthansa moved up DM 1.70 to DM 176.50 as it reached accord on a stake in Avis operations. The latest federal loan stock - the 7 per cent coupon for which was the main interest rate factor encouraging the house overall - rose 1/2 to trade that amount below its 99 1/2 issue price. The Bundesbank supplied DM 30.8m in existing paper. A weaker Amsterdam opening was corrected later to leave a mixed outcome. Among the strongest was Fokker, drawing benefit from an Australian order to gain F1 3.50 at F1 81.50 for a two-day rise of F1 5.50 or 7.2 per cent. Nedlloyd picked up F1 2.30 to F1 185.80 while Philips dipped 20 cents to F1 53.60, with its recent dull streak attributed to cautionary words on growth prospects from a local broker. Bonds were barely changed. The foods sector was to the fore in a steady Paris, with Beghin Sey FFr 15.80 ahead at FFr 314.80 and Bongrain rising FFr 61 to FFr 1,785. Zurich featured demand for Ciba-Geigy, which gained SwFr 40 to SwFr 2,500, while Swiss Re at SwFr 7,950 collected SwFr 50 more for a two-day improvement of SwFr 250. Bonds edged higher. Olivetti held out against Milan profit-taking to end L21 better at L5,951 while Fiat shed L33 to L1,893. Banks weakened while Treasury paper firmed. Amid

TOKYO

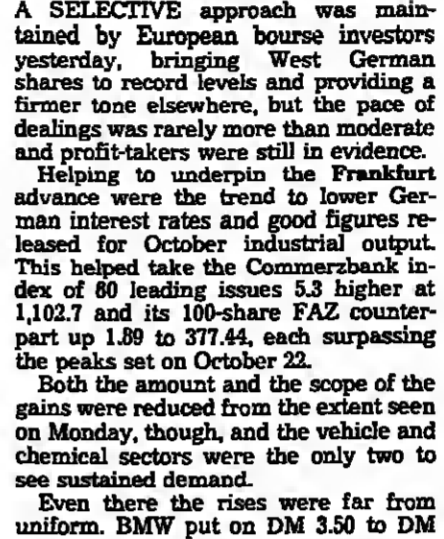
Record run reaches fourth day

STRONG BUYING interest in incentive-backed issues sent share prices sharply higher in Tokyo yesterday, with the Nikkei-Dow market average breaking its record for the fourth consecutive trading day, writes Shigeo Nishizaki of Jiji Press. The barometer advanced 83.86 to 11,577.44, having gained 414.48 in seven days. Trading was lively at 648,02m shares compared with 644.94m on the previous day. Advances outran declines by 415 to 337, with 137 issues unchanged. The market moved erratically as usual toward the year-end. Non-life insurances and opto-electronics issues were bought in early trading. As soon as they turned lower under profit-taking pressure, however, incentive-backed stocks became the buying target. The bullish tone was supported by high investor hopes for a further price rise, despite such unfavourable factors as Wall Street's continued slide and uncertainty over the yen's exchange rate. Sumitomo Marine and Fire surged Y12 at one point, but closed Y12 lower at Y666. Yasuda Fire and Marine rose Y8 to Y380 and Nissin Fire and Marine Y5 to Y382. Shimadzu, which had been drawing popularity as an opto-electronics issue, lost Y14 to Y888. Sumitomo Electric Industries also fell Y5 to Y985. Asahi Chemical topped the most active list for the second day with 26.37m shares. It added Y21 to Y866 on expectations of commercial development of an anti-cancer agent. Bond prices firmed slightly with small-lot buying and selling cross-crossing. The yield on the benchmark 7.5 per cent government bonds, maturing in December 1993, declined from 6.59 per cent to 6.565 per cent. SOUTH AFRICA A RECOVERY in the bullion price inspired many Johannesburg gold shares to move higher - some near highs for the year - in a thin market that lacked many overseas investors. Anglo American Corporation was 20 cents stronger at R24.20 ahead of its restructuring plans for its Orange Free State mines which include Free State Geduld, R1.50 higher at R53. Industrial leader Barlow Rand was 5 cents stronger at R11.50 while diamond group De Beers was 8 cents ahead at R8.33. CANADA METALS and transport issues secured strong gains in Toronto while golds scored a notably higher advance on the firmer bullion price. Oil and gas related shares were weaker. Industrials in Montreal were higher, but utilities and banks managed less substantial rises.

LONDON

Telecom widens the options

BRITISH Telecom continued to rule the London stock market yesterday. Second-day trading, while not matching the opening session's volume, was still heavy but the real excitement was generated by the introduction of BT traded options which soon eclipsed all previous records of contracts struck. The 26,884 contracts more than doubled the previous peak set in mid-October. BT itself closed 2p lower at 91p following an unsettling delay to New York trading due to an order imbalance. Institutional cash not used in the BT offer surfaced in gilts with longs gaining up to 1/2 and shorts adding 1/2 in places. Sterling's better performance against the dollar also aided sentiment. Leading electricals encountered selling which in turn seeped into other sectors. The FT Ordinary Share index, nearly one point up in the morning, closed 7.4 down at 917.5. Chief price changes, Page 32; Details, Page 33; Share information service, Pages 36-37. AUSTRALIA INDUSTRIALS were hardest hit in a broadly lower Sydney as the outcome of the national elections was digested. The All Ordinaries index fell 2.4 to 737.6 despite an early attempt at a rally. BH, which fell after Monday's stock split, eased a further 2 cents to A\$5.12. Banks were weaker with Westpac 3 cents off at A\$3.87 while Myer Emporium in softer retailers shed 4 cents to A\$1.66. Hooker, steady at A\$1.69, was actively traded, reviving suggestions of a takeover. Among the few gains in the session were Brambles, 5 cents up at A\$3.45, and CRA, 4 cents stronger at A\$5. HONG KONG MOST sectors finished higher in Hong Kong following light technical trading that sent the Hang Seng index oscillating through most of the session but ending 3.14 higher at 1,125.40. Banks were mixed: Hang Seng scored one of the best rises of the day with a 25-cent advance to HK\$40.75 while Bank of East Asia slipped 10 cents to HK\$22.80 and Overseas Trust Bank was 2 cents weaker at HK\$2.55. Elsewhere Cheung Kooong firmed 5 cents to HK\$9.05, and a 20-cent rise for Hutchison Whampoa was sufficient to take it back to its high for the year of HK\$15.90. SINGAPORE A TECHNICAL upturn helped reverse a two-day decline in Singapore, taking the Straits Times index 7.11 higher to 808.49. Sime Darby, the most active, edged 1 cent up to S\$1.83 while 10-cent advances were recorded by Fraser & Neave at S\$4.74, OUB at S\$4.12 and OCBC at S\$8.95. Hotel, property and commodity related shares were also higher.



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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of stock prices with columns for stock symbols, prices, and other market data. Includes sections for 12 Month, 13 Month, and various stock categories.

Continued on Page 31

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices, listing various stocks with columns for 12-month high/low, current price, and change.

Continued on Page 32

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices, listing various stocks with columns for 12-month high/low, current price, and change.

Notes: Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks... Dividend also extra(s). b-annual rate of dividend plus stock dividend...

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WORLD STOCK MARKETS

OVER-THE-COUNTER Nasdaq national market, closing prices

Table with columns for Country (Austria, Germany, Norway, Australia, Japan), Date, Price, and Change. Lists various financial institutions and companies.

Table with columns for Country (Australia, Japan, Singapore, South Africa), Date, Price, and Change. Lists various financial institutions and companies.

Table with columns for Stock, Price, High, Low, Last, and Change. Lists various stocks and their market performance.

Table with columns for Stock, Price, High, Low, Last, and Change. Lists various stocks and their market performance.

NOTES - Prices on this page are as quoted on the individual exchanges and are based on the closing price of the stock on the day of publication.

Table with columns for Country (Canada), Date, Price, and Change. Lists various financial institutions and companies.

Table with columns for Country (MONTREAL), Date, Price, and Change. Lists various financial institutions and companies.

Table with columns for Stock, Price, High, Low, Last, and Change. Lists various stocks and their market performance.

Table with columns for Stock, Price, High, Low, Last, and Change. Lists various stocks and their market performance.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Large table with columns for Stock, Price, High, Low, Last, and Change. Lists various American stocks and their market performance.

WORLD VALUE OF THE DOLLAR every Friday in the Financial Times

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MARKET REPORT

RECENT ISSUES

Telecom activity continues but equities drift lower

New traded options record

EQUITIES

Table of equity prices for various stocks including Aberdeen, Access Satellite, and others.

FIXED INTEREST STOCKS

Table of fixed interest stock prices including Aberdeen, Access Satellite, and others.

RIGHTS OFFERS

Table of rights offers for various companies.

NEW HIGHS AND LOWS FOR 1984

Table listing new highs and lows for 1984 across various sectors.

NEW LOWS (21)

Table listing new lows for 21 different stocks.

ACTIVE STOCKS

Table listing active stocks with their respective prices and changes.

LONDON TRADED OPTIONS

Table of London traded options for various stocks and indices.

FINANCIAL TIMES STOCK INDICES

Table showing financial times stock indices for Dec 4, 1984.

HIGHS AND LOWS S.E. ACTIVITY

Table showing high and low activity for S.E. stocks.

Account Dealing Dates

First Declared Last Account Dealing Date...

British Telecom continued to rule London stock markets...

Unchanged price for BT throughout the morning session...

Leading Electricals encountered selling in the wake of BT launch...

Institutional cash released by the method of allocating BT shares found its way into Government securities...

Reed Stenhouse jump News of the agreed merger between Alexander and Alexander Services of the U.S. and Reed Stenhouse...

wick gained 12 to 32p, after 33p. C. E. Heath, a strong market recently following the excellent interim figures...

Argentina's declaration that it had reached agreement with its international bank creditors on a financial package aimed at resolving the country's debt crisis...

Leading Building issues made a sharp recovery. Prices were marked progressively lower in the absence of interest and blue chip activity...

ICI gave a laud performance and the close was 6 cheaper on balance at 67p. Coalite hardened a couple of pence to 197p awaiting today's interim statement...

Sumrie dull Leading Stores failed to capitalise on a firm start and most soon drifted to finish the session with modest falls...

taking and gave up 10 at 79p. Body Shop eased 10 to 45p for a similar reason, but buyers displayed interest in M. Brown...

Recently favoured Electricals became unsettled after GEC's interim results, which failed to match best expectations. Up to 25p ahead of the figures, GEC fell 22p before recovering to net 5 easier on balance at 225p...

Engineering put on an uninspiring performance. Occasional selling and lack of support left Haden 12 lower at 180p, while profit-taking after the three-month figures prompted a fall of 20p to 290p in Matthew Hall.

Rolle and Nolan rallied after recent weakness to close a like amount up at 125p, but occasional selling left Smith and Nephew 6 down at 219p and British Aerospace 7 down at 385p...

John Waddington advanced 21 to 525p following bumper first-half profits and strong defence to the 500p per share cash offer from Mr. Robert Maxwell's British Printing and Communication...

Textiles again lacked a decided trend. Courtauld remained out of favour and dipped 2 more to 115p, while similar falls were marked against Nottingham Manufacturing, 19p, and Dawson International, 25p...

The Food sector provided some interesting movements. Argyl rose 7 to 237p and the Warrants firmed 4 to 113p in reply to better-than-expected interim figures and a confident statement. Rank's Hovis McDougall, down to 110p awaiting the annual results, rallied strongly on the announcement...

The highly successful British Telecom launch directed attention towards stockholders Smith Bros which bargained 4 to 109p; the interim results are scheduled for tomorrow week. Akroyd and Smith, on the other hand, eased a few pence to 375p. Elsewhere in Financials, K. P. Martin shed 10 to 375p awaiting further news of the recent bid approach.

Oil easier Leading Oils met with selling pressure at the outset and gave ground before steadying in subsequent trading. BP closed at 496p prior to closing a net 7 cheaper at 498p, while Shell were a fraction easier at 643p, after 63p. British gave up 5 to 215p. News of a second substantial oil discovery off the coast of Gabon, in partnership with Conoco and Tenneco, prompted a recovery in L.A.S.E.O. which rose to 356p before turning easier to close 3 off on balance at 350p.

Secondary issues showed Sovereign Oil 10 lower at a year's low of 85p following disappointing drilling news from Block 219/28 in the North Sea. Petro-chemical held at 340 following news that the Kuwait Investment Office had agreed to a 6.5 per cent of the company's capital.

The temporary suspension of Cape Industries, in which Charterhouse holds a 67.3 per cent interest, encouraged nervous selling of the latter which dipped 5 to a 1984 low of 157p. Among other UK Financials Consolidated Gold Finance rose strength from the former bullion price and moved up 7 to 499p while Rio Tinto-Zinc rose 7 to 499p.

Polly Peck sold

The liquidation of speculative positions following preliminary figures at the lower end of market expectations prompted a setback in Polly Peck which fell to 220p before recovering to 225p for a fall of 15 on the day. Cornell closed a few pence easier at 220p. Elsewhere in the miscellaneous industrial sector, Dominion International fell 8 to 84p, reflecting comment on the half-year results, while Winter reacted to 190p on disappointing interim figures before closing 4 off on balance at 196p. Buyers showed interest in Feedex, which improved 5 to 30.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange data for various stocks and indices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices for various equity groups and sub-sections.

FIXED INTEREST

Table of fixed interest rates and yields for various government securities.

FT-SE 100 SHARE INDEX 1183.5 -0.3 1183.7 1183.5 -1197.1 1181.3 1187.9 1187.5

WORLD STOCK MARKETS

LONDON STOCK EXCHANGE BUSINESS IN NOVEMBER

Turnover static ahead of British Telecom flotation

BY GRAHAM DELLER IN LONDON

THE DOWNWARD trend of transatlantic interest rates provided the primary impetus as business on the London Stock Exchange showed a marginal increase during November.

Turnover in all securities rose by a meagre 0.36 per cent, or £1.21bn, to £34.85bn. The Financial Times turnover index for all securities rose to 1,067.8 - the highest since the previous record of 1,100.7 in March this year.

The overall number of bargains transacted, however, showed a

slight contraction, by 2,154 to 492,382. The average value per equity bargain was unchanged at £17,400.

The debut of British Telecom increasingly occupied investment horizons as the month progressed, with many market dealers reporting reduced activity as investors appeared reluctant to commit funds in front of last Monday's launch.

The announcement towards the end of November that the BT issue price would be set at 130p found widespread favour and the FT Ordinary share index, aided by renewed U.S. support for leading UK industrial concerns, attained an all-time

high of 929.3 on November 28 before closing the month a net 29.3 points up at 917.3.

Turnover in ordinary shares fell 1.90 per cent, or £0.13bn to £8.70bn and the Financial Times turnover index for ordinary shares eased to 1,194.8 compared with October's measure of 1,217.9.

Government securities opened the month on a firm footing on hopes of a reduction in interest rates - soon justified as the clearing banks reduced base lending rates to 10 per cent after favourable money supply figures and a cut in U.S. primes. Thereafter optimism continued unabated, reflecting a gen-

erally resilient performance by sterling. A further drop in intervention rates finally signalled a reduction to 9 1/2 per cent.

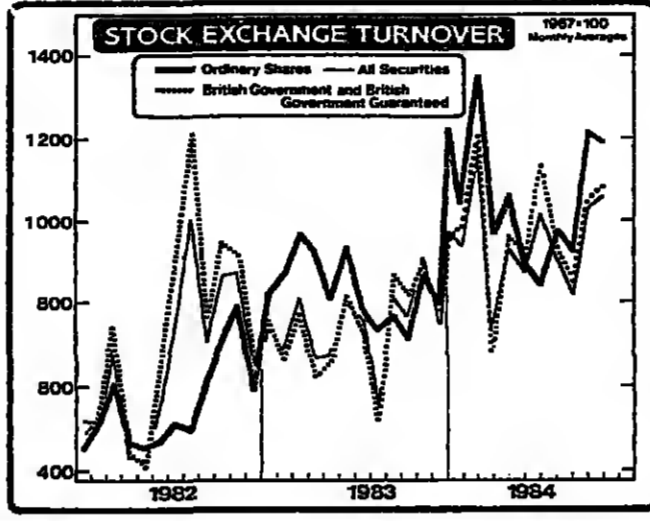
The FT Government Securities index rose to 83.43 on November 13 and closed the month 1.94 points up on balance at 83.00.

Turnover in gilt-edged securities rose 4.59 per cent, or £1.13bn, to £25.74bn. Business in shorts accounted for the increase, rising 13.44 per cent, or £1.99bn, to £16.78bn, but that in longer-dated maturities and irredeemables de-

clined 8.75 per cent, or £0.86bn to £8.98bn. The Financial Times turnover index for government securities rose to 1,089.5 from October's 1,041.7.

Currency fluctuations played a leading role in boosting South African gold shares over the month. A downturn in the dollar to the early part of the period and an accompanying rise in the rand lifted the gold mines index 36.6 to 544.3. Bullion touched \$350 at one point but subsequently fell back to show a \$4.50 loss over the month at \$329.25.

Table with 7 columns: Value £m, % of total, No. of bargains, % of total, Average daily value £m, Average bargains value £000's, Average no. of daily bargains. Rows include BRITISH FUNDS, IRISH FUNDS, UK LOCAL AUTHORITY, OVERSEAS GOVERNMENT, OTHER FIXED INTEREST, ORDINARY SHARES, TOTAL.



OVER-THE-COUNTER

Large table of over-the-counter stock prices with columns for Stock, Sales (Week), High, Low, Last, and Change. Includes sub-sections like 'Continued from Page 32', 'N-N', and 'O-O'.

Advertisement for 'FINANCIAL TIMES ARCHITECTURE AT WORK' featuring the 1984 Award for Industrial and Commercial Building. Includes images of the Renault Centre and Linford Wood Business Centre, and detailed commendations for both projects.

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# FT COMMERCIAL LAW REPORTS

## U.S. request for documents granted

IN RE ASBESTOS INSURANCE COVERAGE CASES  
*Court of Appeal (Lord Justice Evesleigh, Lord Justice O'Connor and Lord Justice Slade): November 20 1984*

THE ENGLISH court may order a person to produce a specified document in response to letters rogatory issued by a foreign court if it is shown that the document probably exists and, on the balance of probabilities, is in his possession; and where documents are requested compulsorily, they are sufficient if they are identifiable through lists or descriptive information in attached appendices.

The Court of Appeal so held when dismissing the major part (Lord Justice Slade dissenting) of an appeal by insurance brokers, Sedgwick Group PLC, Sedgwick Overseas and Sedgwick North America Ltd, from Mr Justice McNeill's decision that they should produce documents required for clarification of issues in California proceedings between insurers and four asbestos manufacturers. An appeal from his decision that certain witnesses should attend the California proceedings was dismissed unanimously.

The judge's order was made in response to letters rogatory issued by the Superior Court of the State of California as provided for by the Convention on the Taking of Evidence Abroad in Civil or Commercial Matters, signed at the Hague on March 18 1970.

The Convention is given effect in the UK by the Evidence (Proceedings in Other Jurisdictions) Act 1975. Section 2 of the Act empowers the English court to make provision for examination of witnesses and production of documents.

Section 2(4) provides: "An order under this section shall not require a person... (e) to state what documents... are or have been in his possession... or (b) to produce any documents other than particular documents specified... appearing to the court... to be, or to be likely to be, in his possession..."

LORD JUSTICE EVELLEIGH said that four American asbestos manufacturers were engaged in disputes with insurers in the Californian court. Lloyd's underwriters were involved. The manufacturers sought to obtain proof of the existence and contents of policies, and if necessary, to reconstruct their terms by reference to standard terms in operation at the relevant times. On the application of the manufacturers, letters rogatory were issued in California, requesting the assistance of the English High Court. Section 2 of the Evidence (Proceedings in Other Jurisdictions) Act 1975 empowered the court, *inter alia* to make provision for the examination of witnesses orally or in writing, and for the production of documents.

Subsections (3) and (4) of section 2 made it clear that the court would not lend its assistance to the production of documents for the purpose of pre-trial discovery of documents or for oral discovery, as was permitted in the U.S.

The court could only order oral evidence to be taken where it could be ordered in the UK for civil proceedings, with the further limitation that although a person might be a witness for certain matters, he should not be required to state what documents were or had been in his possession.

Insofar as documents were concerned, subsection (4) and (b) operated together. Subsection (4)(a) excluded an inquiry into what documents a person had, and subsection (4)(b) limited production to particular documents specified in the order.

Mr Burton for the manufacturers, submitted that the object of the application was to obtain evidence for the trial, not to obtain evidence which might lead to evidence for the trial in other words, he said that it was not a case where anything in the nature of pre-trial discovery was sought.

That, however, was not conclusive. Of course what was obtained would be used at the trial if it was of value, but as Lord Fraser said in *re Westinghouse* [1978] AC 841 "the question... is whether the court should be satisfied that the requests made in the letters rogatory are for evidence... or whether they are truly for a wider discovery. Unless the application passes through this filter no order can be made."

The request for documents was directed to Sedgwick. They were treated as one group. The original request from the Californian court included a request for production of the "written instructions" from the manufacturers to Sedgwick to obtain the insurance policies set forth in Exhibit 1 hereto.

Objection was made to production on the ground that the documents were not sufficiently particularised.

The extent to which information must be given before a document could be identified must vary greatly in every case. The statute laid down no special inroads by which a document must be identified.

The fact that several documents might be asked for compulsorily did not necessarily mean that no document was individually specified. The comprehensive formula might be no more than a matter of drafting. Thus it would have been possible to set out each of the policies appearing in Exhibit 1 and to make a request in terms of subsection (4)(b) in relation to each. If the request were read in that way, as it should be, it was clear that the brokers could go straight to their files and pick out the required document.

In *Westinghouse* at page 635 Lord Diplock said that the specification of "particular documents" called for by subsection (4)(b) meant "individual documents separately described."

But he was not saying that each individual document must be separately listed as one document and then described with a particularity that might be expected from a person who had it in his hand.

It was enough for an applicant to show that there probably was a document which, on the balance of probabilities, was in the broker's possession and that he made his application in the bona fide belief that that was so.

The request for production of "the written instructions" in the present case satisfied the foregoing tests and Mr Justice McNeill was right to allow it.

A request for production of "written applications for insurance" reflecting the insurance policies specified in Exhibit 1 hereto would not be allowed.

The evidence was that Lloyd's practice was for the broker to present a slip when making an oral request for cover, and further information might be given orally. Matters of importance were revealed by instructions attached to the slip.

There was no objection to the production of slips or cover notes, but as to written applications, the brokers would have to search through their files because of the remote possibility that there might be some other document which could be called a written application.

The request imposed on them the duty to give general discovery, which subsection (4) (a) did not permit. It was regarded as "fishing."

Objection was also made to a request for production of "the written instructions" to the brokers from the manufacturers to obtain excess insurance policies issued to the manufacturers' predecessors relating to personal injuries and property damage during periods "set forth in Exhibit 4 hereto."

Lord Diplock in *Westinghouse* indicated that a request for a class of document was bad. But one must distinguish between a class of document as opposed to several identifiable documents bearing the same description.

A request for specific documents and "any letters or other documents referred to therein" as in *Westinghouse* was clearly valid. It required the recipient to reveal the existence of written matter which might or might not exist.

Exhibit 4, on the other hand, set out a list of seven companies which were predecessors of one or other of the manufacturing companies. Against the name of each appeared the period over which it was asserted that policies were issued.

Section 2(4)(h) did not say that the request must be for an individual document described with particularity. The words were "particular documents specified..."

There was no challenge to the bona fides of the manufacturers. They knew the brokers arranged policies in relation to personal injuries and property damage for their predecessor, and it was those they were asking for while being unable to describe them more specifically.

They were therefore entitled to the documents requested.

The applicants also wanted exemplars (specimen copies) of Prior Force policies which were used in the London insurance market during a certain period. They did not ask for "any documents" but for exemplars which contain terms of insurance cover available. The judge was right to order production.

An order requiring the attendance of witnesses was also properly made.

It was said that one of them was only able to give limited evidence. He could, however, give certain evidence which was relevant. It was examined and relevant evidence and consequently that he should attend for examination. He was not wrong to reach such a conclusion.

The remote possibility of the limited extent indicated.

LORD JUSTICE SLADE agreed that the appeal should be dismissed so far as it related to oral evidence. But he would allow it so far as it related to the written instructions, to obtain the insurance policies, the "written applications for insurance" and the "exemplars"—principally on the ground that in his view the evidence showed that the orders would be for production of classes of documents, not particular documents, and thus would infringe section 2(4)(b).

However, since Lord Justice O'Connor agreed with Lord Justice Evesleigh, the appeal would be allowed only as to the written applications for insurance.

For the manufacturers: Michael Burton QC (Counsel Chance).

For the brokers: Nicholas Phillips QC and Christopher Symons (Herbert Smith and Co.).

By Rachel Davies Barrister

# WADDINGTONS KEEPS ITS PROMISES

## INTERIM RESULTS FOR 6 MONTHS TO 29TH SEPTEMBER 1984

Sales	£38,504	up 53%
Trading Profit	£3,310	up 64%
Profit before tax	£3,012	up 85%
Profit attributable to shareholders	£2,181	up 82%
Earnings per share	32.3p	up 50%

### KEY POINTS

- Plastic packaging is doing well
- Business Forms is now a major part of the Company
- Growth in postage stamp printing
- Games performance is excellent in both the UK and North America
- Interim dividend increased by 60% to 12p net per Ordinary Share
- Exciting outlook for the future

## REJECT BPC OFFER - STAY WITH WADDINGTONS

John Waddington PLC

### Residential Property

## BARBICAN at the top.

A most desirable residence in the City

In the past, if you were 'somebody in the City' your place of business would be the last place you'd look for a 'most desirable residence' to make your home. Barbican at the top has changed all that.

Now some of the most prestigious homes ever built in London have made it possible to live in the heart of the City in the three towers that rise from the scheduled precinct of the Barbican.

These 2 and 3-floor apartments, over 400 feet above the world's busiest money market, are among the highest in Europe. In a class apart, they are built for total space-age comfort: spacious living rooms, terraces and balconies, commanding some first-time-ever views of London and beyond. Most have 4 bedrooms some 5 - and almost as many bath and/or shower rooms. The largest have conservatories or roof rooms large enough for billiards or table tennis.

With the bonus of the Arts Library on the doorstep in the Barbican Centre below, Barbican at the top has a unique luxury package to offer anyone who wants to enjoy life to the full - in the City.

For further details and an appointment to look around write or telephone the Barbican Manager, Barbican Estate Office, London EC2. Telephone 01-588 8110 or 01-638 4372.



### BARBICAN A place for gracious living

## New prestigious studio apartments in Islington from £39,500.

Ideally situated for the City and West End, these luxury studio apartments come complete with fully fitted and equipped kitchen, carpeting throughout, heating and fitted wardrobes. Future releases will include 1 and 2 bedroom apartments.

Waterloo Gardens, Milner Square, Islington. Tel: 01-607 9793 or Luton 503248.

London's newest and most exciting address.

### Rentals

**Hyde Park Towers, W.2.**  
Interior designed furnished flat in purpose built block overlooking Hyde Park  
3 bedrooms, 2 bathrooms, double reception, fully fitted kitchen, underground parking space. Balcony  
Uniformed Portage. £490 pw

**Inverna Court, W.8.**  
Superb UNFURNISHED flat just off Regent Street in modern block. With brand new carpets, curtains and appliances. 3 bedrooms, 2 bathrooms, separate cloakroom, 2 reception rooms and fully fitted kitchen. £450 pw

**Hampton & Sons**  
6 Arlington St, London SW1A 1BB  
Tel: 01-493 8222 - Telex: 25341

**MAYS RENTALS**  
Quality Houses and Flats in SW London, Surrey, Berks  
Tel: 037284 3811  
Telex: 895112

**SPECIALISTS IN CENTRAL LONDON RENTALS**  
Have several quality apartments in W1, SW1 & SW3  
Now available for Company Lets

**HILARY POTTER & PARTNERS**  
01-493 2020

**AMERICAN EXECUTIVES**  
lack luxury furnished flats or suites up to £500 per week. Usual fees required.  
Phillips Kay & Lewis  
01-839 2245  
Telex: 27846 RESID G

**HEATH STREET, W.1**  
Superb selection of exceptionally well furnished flats in modern block. Comprising reception, kitchen, 2 double bedrooms, 2 bathrooms, 2 bathrooms, 2 reception rooms, 2 reception rooms and fully fitted kitchen. £450 pw

**CALL JENNIFER RUONAY 01-629 6604**

### Motor Cars

PORSCHE 911SC TARGA Sport V reg. £12,995

MERCEDES 280 SE 81 £11,500

MERCEDES 300 SL £17,500

MERCEDES 230 TE New car immediate delivery. 280 SE New cars. Immediate delivery. Choice of three.

PORSCHE 928S Men. B2 series. 1 owner. £21,000.

**WOODBRIDGE OF BRIMINGHAM**  
Tel: 021-449 4227

**SAAB**  
NEW AND 30 USED SAABS TEST DRIVE THE 16 SE!  
CAR OF THE WEEK  
1002 model 000 Turbo 3 dr. Indigo blue 1800 cc. Absolute bargain. £4,250

**ACE KENSINGTON**  
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ALSO AT ACTON, W3  
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**SAAB**  
A more individual car for the more discerning. Individual Lease... or Contract Hire... or even Cash!  
Full range of 35 Models available  
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Comprehensive Service & Parts facilities

**Alfa Romeo IN CHELSEA**  
58 Old Church Street Kings Road, London, SW3  
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TAYLOR & GRAWLEY LTD

**CARS, VANS, COMPUTERS, PLANT MACHINERY. A LEASING PACKAGE TO SUIT THE SMALLER COMPANY.**  
**FUJION LEASING**  
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Monthly Rentals  
Mini Mayfair £106.00  
Asira 12 1.5 0r £126.00  
Ford XR3 £122.50  
Rover 213 SE £154.00  
Escort 1.6 XR3i £185.00  
Cavalier 1.600 £219.00  
BMW 323i 2.0 £235.50  
Mercedes 190 £289.50  
Porsche 924 £283.00

4 Year Full Mileage Guarantee based on 10,000 miles per annum.  
Telephone charges on any rental are included 24 hours, £40.000 called per annum.  
Maintenance, insurance, tax, license, road tax, etc. included.

**A. H. Turner Ltd.**  
Regent Park, W.1  
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Telephone: 021-742 8771 (4 lines)

### Holidays & Travel

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**FALCON THE RELIABLE SWISS SPECIALIST**

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they take a well earned break at the St. Peter Port, Guernsey. AA...  
Special Executive weekend from £110. (Includes 3 nights, 2 breakfasts, 2 lunches, 2 dinners and 2 bottles of wine.)  
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**WHERE ARE THE MERRIEST CHRISTMAS PARTIES IN TOWN?**  
What better place to hold your Christmas party than in Old Father Thames? You're next to Tower Bridge, minutes from St. Katharine Dock and the City of London. A choice of banqueting rooms or Penthouse Suite available for your lunch or dinner party. Capacity up to 275 people.  
Or why not come and spend Christmas with us - enjoy all the fun of the fayre and take advantage of special weekend accommodation rates.  
**THE TOWER RESTAURANT**  
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**Clubs**  
THE GASHLYN of St James's, London's leading club for the past 50 years. No membership required. Open 7.30 pm. 2 bars, restaurant, 1000s of clubs. Happy Hour 6.30 pm. Sat. 8.10 pm. 17 regular singers. Free drinks 6.30-7.30 pm. For Neighbour Lunches 12.30-2.30 pm. Free evening car service available. London Penthouse Suite available for your lunch or dinner party. The Gashlyn, 70 St. James's, London W1. Tel: 01-930 1643/4950.

EVE has opened the other because of a policy of fair play and value for money. Sapper from 10.30-11.00 pm. Open 7.30-11.00 pm. Free bar. 100. Repeat St. 01-734 0557

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AGNEW GALLERY, 63, Old Bond St. W1  
01-252 6176. Thirty-ave paintings from the collection of the British Rail Pension Fund. Loan Exhibition in aid of the British Diabetic Association, until 14 Dec. Mon-Fri. 9.30-5.30. Thurs. until 6.30.

**Personal**  
**FACT**  
1 IN 5 OF THE PEOPLE registered blind each year under the age of 65 go blind because of it -  
**DIABETES**  
Join us - Help us Support us  
BRITISH DIABETIC ASSOCIATION  
10 Queen Anne Street London W1M 0BD

FT LONDON SHARE INFORMATION SERVICE

IDC design and construct cost effective developments for industry and commerce

BRITISH FUNDS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

Five to Fifteen Years table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

Over Fifteen Years table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

Undated table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

Index-Linked table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

INT. BANK AND O'SEAS GOVT STERLING ISSUES table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

AMERICANS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

CANADIANS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

BANKS, HP AND LEASING table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

COMMONWEALTH AND AFRICAN LOANS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

FDREIGN BONDS & RAILS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

BEERS, WINES—Cont table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

BUILDING INDUSTRY, TIMBER AND ROADS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

CHEMICALS, PLASTICS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

DRAPERY AND STORES table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

GRAPERY AND STORES table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

BEERS, WINES AND SPIRITS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

DRAPERY & STORES—Cont table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

ELECTRICALS table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

ENGINEERING—Continued table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

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INDUSTRIALS (Miscel.) table with columns for Name, Stock, Price, Div, Yield, and 1 Yr. Ret.

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INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Steel, British Airways, and British Petroleum.

LEISURE—Continued

Table of leisure stock prices including companies like British Skyways and British Telecom.

PROPERTY—Continued

Table of property stock prices including companies like British Land and British Waterways.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including companies like British American Tobacco and British Airways.

OIL AND GAS—Continued

Table of oil and gas stock prices including companies like British Petroleum and Shell.

Daiwa Securities logo and company information.

MINES—Continued

Table of mining stock prices including companies like Anglo American and De Beers.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like British Airways and British Telecom.

Commercial Vehicles

Table of commercial vehicle stock prices including companies like British Airways and British Telecom.

Components

Table of component stock prices including companies like British Airways and British Telecom.

Garages and Distributors

Table of garage and distributor stock prices including companies like British Airways and British Telecom.

SHIPPING

Table of shipping stock prices including companies like British Airways and British Telecom.

SHOES AND LEATHER

Table of shoes and leather stock prices including companies like British Airways and British Telecom.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices including companies like British Airways and British Telecom.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices including companies like British Airways and British Telecom.

TEXTILES

Table of textile stock prices including companies like British Airways and British Telecom.

TOBACCO

Table of tobacco stock prices including companies like British Airways and British Telecom.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including companies like British Airways and British Telecom.

INSURANCES

Table of insurance stock prices including companies like British Airways and British Telecom.

LEISURE

Table of leisure stock prices including companies like British Airways and British Telecom.

PROPERTY

Table of property stock prices including companies like British Land and British Waterways.

INVESTMENT TRUSTS

Table of investment trust stock prices including companies like British American Tobacco and British Airways.

OIL AND GAS

Table of oil and gas stock prices including companies like British Petroleum and Shell.

MINES

Table of mining stock prices including companies like Anglo American and De Beers.

OVERSEAS TRADERS

Table of overseas trader stock prices including companies like British Airways and British Telecom.

Notes and regional/irish stocks section.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Affiliated Unit Trusts, and others, with columns for name, manager, and performance metrics.

Table listing unit trusts under the heading 'British Group - Continued', including names like British American, British Columbia, and others.

Table listing unit trusts under the heading 'Franklin International Unit Tr. Mgrs. Ltd.', including names like Franklin International, Franklin Growth, and others.

Table listing unit trusts under the heading 'Key Fund Managers Ltd. (UK)', including names like Key Fund Managers, Key Growth, and others.

Table listing unit trusts under the heading 'Paragon Unit Trust Mgrs. Ltd.', including names like Paragon Unit Trusts, Paragon Growth, and others.

Table listing unit trusts under the heading 'Trusts Union Unit Tr. Mgrs. Ltd.', including names like Trusts Union Unit Trusts, Trusts Union Growth, and others.

Table listing unit trusts under the heading 'Trusts Union Unit Tr. Mgrs. Ltd. (continued)', including names like Trusts Union Unit Trusts, Trusts Union Growth, and others.

Table listing unit trusts under the heading 'Trusts Union Unit Tr. Mgrs. Ltd. (continued)', including names like Trusts Union Unit Trusts, Trusts Union Growth, and others.

Table listing unit trusts under the heading 'Trusts Union Unit Tr. Mgrs. Ltd. (continued)', including names like Trusts Union Unit Trusts, Trusts Union Growth, and others.

F.T. CROSSWORD PUZZLE No. 5587

- ACROSS
1 'Learn ABC' Tech ordered, leaving freedom of action (5-7)
10 Number 11 sometimes is to continue longer (7)
11 Side always - not back (7)
12 Admit end of lightning precedes storm (5)
13 Recommend a defender (8)
14 In gain, losing nothing, then upset, weakening (10)
15 Time to change article? (4)
16 Resort in one's territory (4)
17 The globe of an illusionist? (5-5)
18 Secure prisoner - a worker with copper (very strong) (8)
19 Football Association in the end returning as illegal body (5)
20 Black politician - one in the surroundings (7)
21 Lauda with tyre's extremists that could be flatter (7)
22 The tendency making up puzzle is giving new fashion (12)
DOWN
2 Ace taut? Loosen, to get into operation (7)
3 The stretch I have is pulling (7)
4 Mad cricketers (4)
5 Rough beard on a Scot (a Scot?) (10)
6 Summary of doctrine in secret order (5)
7 Get out, being caught following a wife? (5)
8 Clapper in brass is not to be taken seriously (6-2-5)

Crossword puzzle grid with numbers 1 through 28 indicating the starting positions for the clues.

SOLUTION TO PUZZLE No. 5586
ACROSS
1 ACROSS
1 'Learn ABC' Tech ordered, leaving freedom of action (5-7)
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7 Get out, being caught following a wife? (5)
8 Clapper in brass is not to be taken seriously (6-2-5)

FT UNIT TRUST INFORMATION SERVICE

Main table listing various unit trusts such as Franklin International, Key Fund Managers, Paragon, and others, with columns for name, manager, and performance metrics.

City of Westminster Unit Tr. Mgrs. Ltd.

Table listing unit trusts managed by City of Westminster Unit Tr. Mgrs. Ltd., including names like City of Westminster Unit Trusts, City of Westminster Growth, and others.

INSURANCES

Table listing various insurance companies and their products, including names like AA Friendly Society, Abbey Life Assurance, and others.

INSURANCE, OVERSEAS & MONEY FUNDS

Handwritten note at the top center of the page: 'Handwritten note at the top center of the page.'

Table of insurance and financial products including Liberty Life Assurance, National Provident Institution, and various life insurance policies with their respective details and prices.

Table listing various insurance companies and their products, including Sun & Prosper Group, Target Life Assurance Co. Ltd., and others, with columns for company names, addresses, and product details.

Table listing overseas investment funds and money funds, including GAI Investments (UK) Ltd., Grindley Henderson Mgmt Ltd., and others, with columns for fund names, managers, and performance data.

Table listing money market and bank accounts, including Midland Bank, Sunbelt Bank, and various bank services, with columns for bank names, account types, and interest rates.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas investment funds, including Aetna Investment Fund SA, Frigate International, and others, with columns for fund names, managers, and investment details.

Money Market

Table listing money market products and services, including various bank accounts and investment options.

Trust Funds

Table listing trust funds and related services, including various investment trusts and their details.

Money Market

Table listing money market products and services, including various bank accounts and investment options.

Bank Accounts

Table listing bank accounts and services, including various bank offers and their details.

COMMODITIES AND AGRICULTURE

World coarse grain crop may reach record level

BY NANCY DUNNE IN WASHINGTON

THE WORLD may produce a record coarse grain crop in 1984-85 with production hitting the 785.3m tonne level, the U.S. Agriculture Department reported at its annual outlook conference.

Farmland prices fall further

Speculators blamed for sharp decline in rubber market

BY WONG SULONG IN KUALA LUMPUR

THE SHARP fall in rubber prices in recent weeks to levels which may lead to support by the International Natural Rubber Organisation has disappointed Malaysia, which had earlier expected a good year for producers.

Metal market quiet

By Our Commodities Editor

ANTIMONY TRADERS are waiting to see the response to the initial offering later this week by the U.S. stockpile authorities, which plan to sell 300,000 lb of surplus antimony per month.

Welsh dairy farmers want special quota

BY ROBIN REEVES, WELSH CORRESPONDENT

THE FARMERS' Union of Wales formally asked the Government to press for special treatment for Welsh dairy producers in the forthcoming EEC agricultural price review.

UK beef and lamb consumption has fallen up to 20 per cent since 1980, the market research group Taylor Nelson said yesterday.

It estimated that 133m fewer portions of beef and 54m fewer servings of lamb would be eaten in Britain this year than four years ago.

Bad weather lowers Cuban sugar harvest forecast

HAVANA—Cuba's 1984-85 sugar harvest, which has just begun, will not exceed last year's total of 8.2m tonnes, according to Sr Luis Galvez, the country's vice-minister for sugar.

It should have been wet, and then just as harvesting started it began to rain.

Ministry said China's 1984-85 refined sugar output would reach a record of around 4m tonnes to the processing season.

LONDON MARKETS

LONDON'S base metals and soft commodities markets were quiet yesterday.

Table with columns for Dec 4 1984, Dec 5 1984, Dec 4 1983, Dec 5 1983. Rows include METALS (Aluminium, Copper, Lead, Tin, Zinc), OILS (Crude Oil, Gas Oil, Fuel Oil), and OTHERS (Cocoa, Wheat, Sugar, Rubber, Wool, Hides).

Table with columns for Dec 5 1984, Dec 4 1984, Dec 5 1983, Dec 4 1983. Rows include FINANCIAL TIMES (FT 100, FT 1000), MOODY'S (S&P 500, Industrial), and DOW JONES (Dow Jones Industrial, Dow Jones Chemical).

U.S. MARKETS

The gold and silver market registered slight losses from light loss in quotation by commission houses, based on the market's failure to respond favourably to a weaker dollar, reports Heinefeld Commodities.

Table with columns for CRUDE OIL (Light, Heavy), GAS OIL, and RUBBER. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

CHICAGO

Table with columns for LIVE CATTLE, HOGS, PORK, SOYBEANS, WHEAT. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

COPPER

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

ALUMINIUM

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

SILVER

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

GRAINS

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

RUBBER

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

SOYBEAN MEAL

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

COFFEE

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

SUGAR

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WHEAT

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

LEAD

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

NICKEL

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

GOLD

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

COCOA

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

PIGMEAT

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

POTATOES

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COFFEE

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SUGAR

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WHEAT

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TIN

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

LONDON FUTURES

Table with columns for Month, Year, Days, Business, Done. Rows include Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

COFFEE

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

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ZINC

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

GOLD BULLION

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

GOLD PLATINUM COMES

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

PIGMEAT

Table with columns for a.m., p.m., Official, Unofficial. Rows include Dec 5, Dec 4, Dec 5, Dec 4 for various grades.

POTATOES

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Profit taking depresses dollar

The dollar lost ground in currency markets yesterday mainly on profit taking. Although not as spectacular as its rise in October, the dollar had crept quietly firmer from lows touched in early November and some sort of downward correction appeared to be inevitable.

average 1.2415. Exchange rate against the dollar in 1984 is 3.1410 to 2.5535. November average 2.9906. Trade weighted index 121.1 against 126.7 six months ago.

The dollar was fixed at DM 3.0806 at yesterday's fixing in Frankfurt down from DM 3.1200 on Monday and the Bundesbank sold a token \$5.5m at the fixing. There appeared to be little clear indication of any open market intervention by the central bank with the dollar's weaker trend attributed to profit taking. The market remained quiet and the dollar remained underpinned by comparatively high U.S. interest rates and year end demand. However the

FINANCIAL FUTURES

Slightly firmer

An easing of the Federal funds rate in New York and a decline in Eurodollar cash rates led to a slight improvement in the value of Eurodollar futures on the London International Financial Futures Exchange yesterday. The March contract opened firmer at 90.08, following buying in the Far East on the Singapore exchange. Demand continued in London, with the contract holding technical support levels. Early buying on the opening of Chicago soon ran out of steam, and after touching a peak of 90.16 March Eurodollars closed at 90.13, compared with 90.06 on Monday.

Starting desaminated contracts were boosted by the improvement of the pound against the dollar on the foreign exchanges. After a fairly strong opening of 90.36 March sterling deposits closed at 90.28 against 90.33 previously. Volume was low with most activity involving switching

STERLING EXCHANGE RATE INDEX

Table with columns: Time, Dec 4, Previous. Rows: 8.30 am, 9.00 am, 10.00 am, 11.00 am, Noon, 2.00 pm, 3.00 pm, 4.00 pm.

\$ in New York

Table with columns: Dec 4, Prev. close. Rows: 1 month, 3 months, 6 months, 12 months.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, % change, Divergence. Rows: Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland, UK.

POUND SPOT-FORWARD AGAINST POUND

Table with columns: Dec 4, Day's, Close, One month, % Three months, % Six months. Rows: U.S., Canada, Netherlands, Belgium, Denmark, Ireland, France, Portugal, Spain, Sweden, Norway, Japan, Austria, Switzerland.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table with columns: Dec 4, Day's, Close, One month, % Three months, % Six months. Rows: UK, Canada, Netherlands, Belgium, Denmark, Ireland, France, Portugal, Spain, Sweden, Norway, Japan, Austria, Switzerland.

OTHER CURRENCIES

Table with columns: Dec 4, \$, S, Note Rates. Rows: Argentina, Australia, Brazil, Canada, Denmark, Hong Kong, Iran, Israel, Japan, Korea, Luxembourg, Malaysia, New Zealand, Saudi Arabia, Singapore, South Africa, U.A.E., Venezuela.

CURRENCY MOVEMENTS

Table with columns: Dec 4, Bank of England, Morgan Guaranty, Index, Change. Rows: Sterling, U.S. dollar, Canadian dollar, Australian dollar, New Zealand dollar, Hong Kong dollar, Japanese yen, Swiss franc, French franc, Dutch guilder, Italian lira, Spanish peseta, Portuguese escudo, Greek drachma, Irish punt, Australian dollar, U.S. dollar, Canadian dollar, Australian dollar, New Zealand dollar, Hong Kong dollar, Japanese yen, Swiss franc, French franc, Dutch guilder, Italian lira, Spanish peseta, Portuguese escudo, Greek drachma, Irish punt.

LONDON

Table with columns: Dec 4, Close, High, Low, Prev. Rows: Dec, March, June, Sept, Dec, March, June, Sept.

CHICAGO

Table with columns: Dec 4, Close, High, Low, Prev. Rows: Dec, March, June, Sept, Dec, March, June, Sept.

EXCHANGE CROSS RATES

Table with columns: Dec 4, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

CURRENCY RATES

Table with columns: Dec 3, Bank of England, Morgan Guaranty, Index, Change. Rows: Sterling, U.S. dollar, Canadian dollar, Australian dollar, New Zealand dollar, Hong Kong dollar, Japanese yen, Swiss franc, French franc, Dutch guilder, Italian lira, Spanish peseta, Portuguese escudo, Greek drachma, Irish punt.

EURO-CURRENCY INTEREST RATES

Table with columns: Dec 4, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, French Franc, Italian Lira, Japanese Yen, Danish Krone.

CURRENCY RATES

Table with columns: Dec 4, Bank of England, Morgan Guaranty, Index, Change. Rows: Sterling, U.S. dollar, Canadian dollar, Australian dollar, New Zealand dollar, Hong Kong dollar, Japanese yen, Swiss franc, French franc, Dutch guilder, Italian lira, Spanish peseta, Portuguese escudo, Greek drachma, Irish punt.

MONEY MARKETS

London steady and quiet

Interest rates were little moved in London money markets yesterday, with the distortions caused by money flows by British Telecom still attracting most of the market's attention. Trading was very quiet and at present there seems to be little prospect of any early change in the interest rate structure. Any slight easing of rates was mainly attributable to the improvement of sterling against the dollar, and the pound's ability to remain above the \$1.20 level.

Three-month interbank eased to 9 1/4 per cent from 9 1/2 per cent. UK clearing banks' base lending rate 9 1/4 per cent since November 23.

while discount houses buying rates for three-month bank bills were unchanged at 9 1/4 per cent. Dealers suggested the apparent lack of sufficient assistance from the authorities reflected abundant funds available at attractive rates in early trading, and several houses were therefore able to fund their requirements at slightly below the current official ceiling rate.

amounted to only \$143m. Before lunch the authorities bought \$37m bank bills in band 2 (15-33 days maturity) at 9 1/4 per cent, \$20m bank bills in band 3 (34-63 days) at 9 1/4 per cent, \$11m local authority bills in band 4 (64-91 days) at 9 1/4 per cent, and \$16m bank bills in band 4 at 9 1/4 per cent.

MONEY RATES

Table with columns: Dec 4, Overnight, Two months, Three months, Lombard intervention. Rows: London, Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, Dublin.

LONDON MONEY RATES

Table with columns: Dec 4, 1984, Starting, Interbank, Local Authority deposits, Company deposits, Market deposits, Treasury (Buy), Treasury (Sell), Eligible Bank (Buy), Eligible Bank (Sell), Fine Trade (Buy), Fine Trade (Sell).

INTERBANK FIXING

Table with columns: Dec 4, 11.00 a.m. (December 4), 4 months U.S. dollars, bid offer, 8 months U.S. dollars, bid offer.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: Dec 4, 1984, Starting, Interbank, Local Authority deposits, Company deposits, Market deposits, Treasury (Buy), Treasury (Sell), Eligible Bank (Buy), Eligible Bank (Sell), Fine Trade (Buy), Fine Trade (Sell).

FT LONDON

Table with columns: Dec 4, 11.00 a.m. (December 4), 4 months U.S. dollars, bid offer, 8 months U.S. dollars, bid offer.

MONEY RATES

Table with columns: Dec 4, 11.00 a.m. (December 4), 4 months U.S. dollars, bid offer, 8 months U.S. dollars, bid offer.

NEW YORK (Lunchtime)

Table with columns: Dec 4, Prime rate, Risk-free rate, Fed funds, Fed funds at intervention, Treasury Bills, One month, Two month, Three month, Four year, Five year, Ten year, 30 year.

MONEY RATES

Table with columns: Dec 4, 11.00 a.m. (December 4), 4 months U.S. dollars, bid offer, 8 months U.S. dollars, bid offer.

ECGD Fixed Rate Export Finance IV: Average rate of interest period November 7 to December 4, 1984 (inclusive): 8.90 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance House Base Rate (published by the Finance House Association): 10% per cent from December 1 1984. London and Scottish Clearing Bank Rates for lending 9 1/4 per cent, London Deposit Rates for sums at 60 days' notice 6 1/4 per cent. Treasury Bills: Average tender rate at discount 5.625 per cent. Certificates of the Deposit (Series 0): Deposits of £100,000 and over held under one month 9 1/4 per cent; one month to three months 9 1/4 per cent; three months to six months 9 1/4 per cent; six months to one year 9 1/4 per cent; one year to two years 9 1/4 per cent; two years to three years 9 1/4 per cent; three years to four years 9 1/4 per cent; four years to five years 9 1/4 per cent; five years to ten years 9 1/4 per cent; ten years to 30 years 9 1/4 per cent.

London Commodity Charts - for clear presentation - for the ability to update your own charts. The Royal Bank of Scotland plc. Premium Account. Interest per annum 9.38%.

The Royal Bank of Scotland plc. Premium Account. Interest per annum 9.38% (Effective Annual Rate 9.71%). Telephone: 031-557 0201.

Company Notices. ROLINCO. With reference to the announcement published in the Times and Financial Times on 28 November 1984 concerning the Cash Dividend payable 7 December 1984, the rate of 10% for the year ending 31 December 1984 is hereby confirmed.

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Lazard Brothers Fund Managers (Channel Islands) Ltd. P.O. Box 275, 16 Clatney Esplanade, St. Peter Port, Guernsey, GY4 1367.

AKTIEBOLAGET SVENSK EXPORTKREDIT (SWEDISH EXPORT CREDIT CORPORATION) 12,000,000,000 JAPANESE YEN 6 1/2% JAPANESE YEN BONDS OF 1984, Due November 20, 1991. ISSUE PRICE 99 1/4%. Daiva Europe Limited. Nippon Credit International (HK) Ltd.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 4.

Table of international bond issues with columns for country, issue name, amount, bid price, offer price, and yield. Includes sections for U.S. Dollars, Deutsche Mark, Swiss Franc, and other currencies.

Table of international bond issues with columns for country, issue name, amount, bid price, offer price, and yield. Includes sections for Yen, Sterling, and other currencies.

CAPITAL MARKETS

Lasmo convertible taps rich deposits

Lasmo convertible taps rich deposits... LONDON and Scottish Marine Oil (Lasmo) struck a reservoir of Eurodollars yesterday when it launched a convertible bond issue.

Update on IBM, December 1984.

No. 1

Just the jobs for Britain.

Technological change has been sharp and sudden. IBM's personnel policy has met this challenge with extensive re-training among our 17,000 employees.



EMPLOYEES ON THE IBM PC PRODUCTION LINE AT GREENOCK.

GRADUATES AND STUDENTS We continue our drive to recruit top quality graduates. Having taken on over 300 this year we are looking for even more in 1985.

1,300 NEW JOBS We have had a strong recruiting drive in 1984 and are taking on 1,700 new employees. As a result, 1,300 new jobs are being created.

SUPPLIER JOBS As our business base expands, so does the amount of business we do with UK suppliers. We estimate that over 10,000 jobs are created or sustained through this activity.

EXPANSION IN SCOTLAND Our Greenock factory - one of the most efficient and automated manufacturing plants in Europe - has added hundreds of jobs in the past 12 months, taking the total to over 2,700.

FULL EMPLOYMENT The cornerstone of our personnel policy is respect for the individual. One way this is demonstrated is by our practice of full employment.



JUST THE JOB FOR BRITAIN.

For further information write to IBM United Kingdom Limited, Corporate Publication Department, PO Box 32, Alencon Link, Basingstoke, Hampshire RG21 1EJ.

Issues ruling on commercial paper

Issues ruling on commercial paper... THE LONG running and bitter battle between the U.S. banking and securities industries over banks' attempts to garner a share of the booming commercial paper market has moved a step closer to resolution.

IRI Eurocredit terms settled

IRI Eurocredit terms settled... ITALY'S state holding company Istito per la Ricostruzione Industriale (IRI) has announced a group of 15 banks to lead its planned Ecu 300m 10-year credit in the Euromarkets.

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